

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

July 20, 2011

A regular meeting of the Orange County Industrial Development Agency was convened in public session on July 20, 2011 at 3:00 P.M. at the County Executive Conference Room, Orange County Government Building, Goshen, 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, Henry VanLeeuwen, Mary Ellen Rogulski

ABSENT: Robert Armistead
[Brescia not present for entire meeting]
[VanLeeuwen not present for entire meeting]

ALSO PRESENT: Joel Kleiman – Chief Financial Officer
Phil Crotty – IDA Attorney
Laurie Rendleman – Administrative Assistant
Michael Pillmeier – Chairman Orange County Legislature
Patrick Berardinelli – Orange County Legislature
David Church – Orange County Planning Department
Christopher Eachus – Orange County Legislature
John McCarey – Director, Real Property Tax Service Agency
Maureen Halahan – Orange County Partnership
Michael DiTullo – Orange County Business Accelerator
Peter Gregory – Orange County Business Accelerator
Don Green – SUNY Orange County Government
Bruce Gluckman – Mediacom
Ron Hicks – REDC/PTAC
Liz Kaller – REDC/PATC
Michael Smith - CRG
William Kaplan – Newburgh Armory
Deirdre Glenn – Newburgh Armory
Michael Bruno – CPV Valley
Steve Remillard – CPV Valley
Todd Erling – Hudson Valley Agribusiness Devel. Corp.
Tony Fitzgerald – Provident Bank
James Walsh – Times Herald Record
Bill Madden – Focus Media
Unidentified Videographer – Newburgh Advocate
(refused to sign in)

Chairman, James Petro calls the meeting for the Orange County IDA, June 20, 2011 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior June 15, 2011 meeting minutes. Motion made by Rogulski, 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, distributes to each member the monthly investment and profit and loss statement. The first page is the YTD month of June revenues and expenses. The IDA has brought in \$338k for the year and expended \$686k. The second page is the bank account and investment review. There is one CD up for maturity in December, and the rest of the monies are in Money Market and Checking and Savings Accounts.

Mr. Kleiman advises the Board to refer to the list of Vouchers and Payments for June/July. We have received checks for the month of June for \$51,260.32, and the vouchers total \$263,252.15. Mr. Kleiman asks if the Board has any questions on the checks to be approved. There are no questions on the checks or YTD budget information, and no other items to review.

Motion made by Schreibeis, seconded by Rogulski, that the Board approve the authorization of payments and vouchers for July, 2011. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Petro advises that, due to a packed house and some schedule conflicts, he will be moving around items on the agenda for today.

For the Chairman's Report, Chairman Petro begins by discussing the Town of Chester "special litigation status," and asks Mr. Crotty to bring the Board up to date with the issue. Mr. Crotty advises that the Town of Chester requested a year ago that the town board and supervisors be allowed to participate by becoming members of the IDA in actions that involve the Town of Chester. This year it was passed by the Senate and Assembly, so the IDA have requested that the Governor veto said legislation; letters have been sent by the County Executive, the Chairman of the IDA, the NYS Economic Development Corporation, among others. Mr. Crotty advises that at this time we are hopeful that a veto will take place. Chairman Petro advises that he has much to say on the matter, but because it is in limbo at the moment, he will further discuss the veto at the next IDA meeting.

[Mr. VanLeeuwen arrives]

Chairman Petro then makes mention that there some county legislators in the room, and introduces Misters Berardinelli, Eachus to the room.

Chairman Petro moves on to address the IDA terms of office, which was brought to the OC legislative body. The IDA members typically do not have terms – he notes that it is not a term *limit*, just a term – and there has been legislation that details the date of each Member's five year term. When that term is up, the Member may be reappointed. Additionally the funding corporation needs to mirror the IDA terms. As all members on the IDA Board are also members of the IDA's funding corporation, the same terms will apply to the funding corporation. Mr. Crotty details the current IDA terms as follows:

Mr. Brescia's term terminates December 31, 2013

Mr. VanLeeuwen's term terminates December 31, 2014
Mr. Steinberg's term terminates December 31, 2014
Mr. Armistead's term terminates December 31, 2015
Ms. Rogulski's term terminates December 31, 2015
Mr. Schreibeis's term terminates December 31, 2016
Mr. Petro's term terminates December 31, 2016

Mr. Steinberg asks what precipitated the terms, and Chairman Petro advises that it was legislation that he supported, as it gives the legislative body a little bit of control over membership if they feel as if something would need to be changed. It is also made clear that it is a term limit which has nothing to do with the individual serving, it just specifies the term being served.

Executive Director Report

Mr. O'Donnell is not present at the meeting to offer an Executive Director's report.

OCBA Report

Mr. DiTullo refers to the Orange County Business Accelerator Profit and Loss YTD comparison, and passes out a new proposed modified budget, which has been reviewed by both Mr. Kleiman and Mr. O'Donnell prior to the meeting. Before moving on to detail the modified budget, Mr. DiTullo advises the Board that, per the advice of Mr. Kleiman, the Orange County Business Accelerator has gone to a consulting group to handle personnel matters and payroll. The OCBA is using Staff Line Inc., which is a subsidiary of one of the Accelerator's clients (Ethan Allan Personnel Group), and they will be handling the payroll, health insurance, taxes and so on for the Accelerator.

The modified budget is presented due to two major items. One, Peter Gregory, who has been with the Accelerator as a consultant since it opened, is now a full time employee with full benefits, with responsibilities including not only enterprise development director, but also working with FTZ and international marketing for the Accelerator and Orange County in general. Administrative Assistant Laurie Rendleman is also being paid through the Accelerator's budget. The modified budget includes health insurance benefits for employees, 401(3)(b) contributions (the policy is a match of up to 5%) and the salaries for all employees, including the two new salaries to the Accelerator.

Mr. DiTullo also mentions that they early next week, the Accelerator will be cutting a check in the amount of nearly \$32k to the IDA for reimbursement, which will bring the amount of reimbursement to the IDA to almost \$180k since the Accelerator opened.

Mr. Steinberg takes a moment to compliment Mr. Gregory for his work at the Accelerator.

Motion made by Mr. Steinberg, seconded by Mr. Schreibeis to accept the modified budget proposal. Affirmative votes of all members present resulted in motion carried.

Mr. DiTullo goes on to give a client update for the Accelerator, and begins by stating that Continental Organics is under construction and they did receive their bridge loan from Provident Bank/SBA for the first phase. At the end of their three-phase construction, they will have roughly 125 employees. Continental Organics will be the first graduate of the Accelerator program, and will be in the Accelerator at least through 2011, if not through the first quarter of 2012. Frugaldoo is another success story for the Accelerator. They came into the Accelerator ten months ago, four months ago they expanded from 3 employees to 6 and now they have 10 employees, and will be doubling the size of their space at the Accelerator by the end of this month. Additionally, an existing client – Fred, from Array – is starting a new business called Future Fab, which is a

prototype for a mini-chip fab in Orange County, and will be moving into the Accelerator with 2 employees initially.

Mr. DiTullo also notes that Senator Gillibrand held a press conference at the Accelerator on July 5 to introduce federal legislation regarding tax credits for manufacturing, and notes that the Accelerator was mentioned in an article about the press conference in the Wall Street Journal, as well as being noted on NPR, AP and Bloomberg Radio. Photographs of the event on the Accelerator's facebook page resulted in more than 300 clicks.

Regarding marketing, Mr. DiTullo advises that a new homepage for the Accelerator's site was launched last week. In working with Focus Media, Mr. DiTullo hopes to continue to make the site even better in the future. Also, there has been some conversation with Focus Media about developing a commercial, evolving from the video they produced with the IDA. Having had conversations with Focus Media, along with Mr. Crotty, and Mr. O'Donnell, Mr. DiTullo thought it would be productive to create awareness within the county, and elsewhere, about the good work that the IDA accomplishes. He proposes a one minute commercial using footage from the video, and placing about 1,000 commercials on CNN, Fox News, CNBC, MSNBC, ESPN, Yes and a few other stations in the month of September. The budget for that is \$10k, but the production costs would only be about \$3k. Mr. DiTullo suggests the IDA allocate funds to complete the project, as it is mostly a promotion for the IDA. He introduces Bill Madden from Focus Media for any questions that the Board may have. Chairman Petro suggests Mr. DiTullo spell out the request for the \$10k and submit it to Mr. Brescia, and the Governance Committee will review it prior to the next meeting, and there may be action on it at the next meeting.

Chairman Petro reminds Mr. DiTullo, and all people present, that it is important to stay motivated and aggressive in terms of attracting business. He offers the opportunity to advertise as one method that the Accelerator is staying proactive in their duty.

Continental Organics – Request to Extend

Mr. Crotty explains that the Chairman of Continental Organics sent an email explaining their need for an extension, pointing out that , while they have broken ground on their project, the State has changed some of essential terms in their grant, and therefore Continental Organics needs to extend their \$108K IDA loan.

Mr. Crotty reads the resolution aloud.

Motion made my VanLeeuwen, seconded by Steinberg to approve the resolution. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman Petro reminds all members and guests in the room that the IDA does not give loans, period. What the IDA does is to redirect funds that come into the IDA, which are grants and/or funds that come back to us. This loan in particular is the \$108k that the IDA receives for the Millennium Pipeline in the form of a grant for 10 years. The IDA can *redirect* that money for a short period of time to go back out as an intermediate loan if we like. Mr. VanLeeuwen asks what the interest rate is, and Mr. Crotty advises that it is .5% per month, or 6% per year.

Chairman Petro takes a moment to discuss the \$255k in soft costs that has been due to be paid to the IDA by the Port Authority. The IDA spent \$255k in soft costs to facilitate the building of the property at the airport, and the Port Authority came on November 1, 2007 and advised that they would like to acquire the property. They did acquire the property, in lieu of them paying back the IDA their soft costs. The IDA has yet to receive payment. Chairman Petro feels that the field of people who were involved in this transaction back in 2007 is getting smaller and smaller due to

retirements and so forth, and would like to take action now to get the money back. Mr. Crotty has already written a letter with the intent to reclaim the funds, but if there is no response, Chairman Petro hopes to take it further.

Mediacom – Final Resolution

Chairman Petro begins by reminding the Board that this Mediacom project is a large undertaking in Blooming Grove, there was a public hearing about a month ago, which was well attended and everyone there was in favor of the project – there were no nays. There are also letters in the file from Mr. Fornario, the Town of Blooming Grove Supervisor, and from the School Board indicating their favor of the PILOT. Chairman Petro advises that there seems to be no negativity for the project.

The IDA members received a transcript of Mediacom's public hearing prior to this meeting.

Mr. Crotty reads the resolution aloud. Motion made by VanLeeuwen, seconded by Schreibeis, that the Board approve the final resolution. Open for discussion. Affirmative votes of all members present resulted in motion carried [Rogulski abstains].

Ms. Rogulski notes for the record that she is on the Planning Board of the Town of Blooming Grove.

PTAC – Grant Request

Ron Hicks from PTAC (Procurement Technical Assistance Program) explains that PTAC puts businesses together with Government contract opportunities. PTAC was started in 1986, and serves the lower Hudson Valley. About 20% of PTAC's clients are here in Orange County. Liz Haller of PTAC maintains office hours and Orange County and runs various programs for their clients.

PTAC is seeking a \$24k. Chairman Petro asks what other IDAs in the area contribute to their organization, and Mr. Hicks advises that Westchester is the only other IDA that contributes. Currently, they have no other sources of funding, but are looking into SBA and the Economic Development Agencies in Ulster, Dutchess and Putnam counties. They are hoping that the Orange County IDA is contributes \$24k, while Westchester would contribute \$28k. Chairman Petro asks what the largest portion of the funds will be allocated to. Mr. Hicks advises that the funds are intended for salaries for their program manager and the PTAC administrator, along with Mr. Hicks and his staff, who promote the program within the county.

Chairman Petro advises Mr. Hicks that he would like the use for IDA funds to be project specific. Rather than using the funds for salary and administrative costs, Mr. Hicks should provide the IDA with a plan indicating project expenditures. Mr. Hicks advised that he will create a report with a guideline of how the money will be spent, and will bring it back to the Governance Committee and next month's IDA meeting.

No action taken.

Newburgh Armory – Grant Request

Chairman Petro introduces Mr. Kaplan and Deirdre Glenn of the Newburgh Armory. He notes that the Armory is in the city of Newburgh and that many of the Board members have visited the site, and asks that Mr. Kaplan give a brief overview of why the Newburgh Armory Unity Center (NAUC) is here.

Mr. Kaplan begins by saying that this project was started in October of 2010, with the goal of using the renovated facilities for recreation, but also to attract tourism to the area. The mission of the Not-for-Profit formed to run the Armory is recreation, education and tourism. The Kaplan foundation contributed \$175k to the project, and then Habitat for Humanity became involved in the renovation – which was the first time Habitat had been involved on a project other than individual houses – and contributed roughly another \$175k. The Armory functions with the aid of volunteers, and only employs one person – Deirdre Glenn. Between 5,000 and 7,500 people have used the Armory, and they still manage to function almost entirely on a volunteer basis. Most organizations like the Armory have program directors, administrators, secretaries and so forth; but based on the fact that the Armory only provides the *facility*, and each organization – i.e. Boys and Girls Club, Hoops, Newburgh School District – comes in with their own staff to supervise their activity, the Armory is able to maintain the lowest operating cost possible going forward, even as it serves thousands of people from all over.

Once the Drill Hall is completed, he continues, it will draw people for all sorts of events, and not just people from the City of Newburgh. The Drill Hall with its many possibilities (trade shows, film sets, competitions) will draw people from all over, and positively impact tourism in the area. Which is why, he notes, he feels the Armory fits so perfectly with the IDA. They are planning on having the drill hall open by the end of January, having all new lights, floors, bathrooms and bringing the entire place up to code so that it can welcome thousands of people.

The first annual Orange County Triathlon will be in Newburgh in August, which will host 250 athletes. Statistics show that each athlete brings 3 in family. Already, 100 athletes have booked reservations in local hotels. Using the Orange County Office of Tourism figures, Ms. Glenn notes that the projected \$250 in monies earned from tourists who stay over night, and \$85 for those who pass through for the day, this event will bring in \$400k in its first year, for a one day event. The Armory hosted the Junior Olympic Boxing semi-finals, and 900 people from all over attended. The Newburgh Rowing Club had an event that welcomed 1,000 people from all over the county and NJ and CT. Based on those events, and working with the Department of Tourism, they project that with only 6,000 people per year, they can bring in \$1M, and with 15,000 visitors they can bring in \$2.4M. As they grow, they hope to bring in up to \$3.3M.

Mr. Kaplan adds that someone said to him “This isn’t doing anything for the city of Newburgh.” For anyone who has been to the Armory, he says, they know that it abuts Routes 9w and 32. On one end of the street 9w, there is an empty diner that has been there – empty – for ten years. On the other side of the street, also on 9w, is an empty strip mall. He shows pictures to all people present at the meeting. If thousands of people are coming to the Armory for sporting events, trade shows, even recreation, there needs to be somewhere nearby to eat. He suggests the diner will finally find an owner and open for business, and that the strip mall will find tenants. He goes on to note that there’s an empty building – a beautiful, new building – that used to house Eckerd Drugs, and yet another strip mall with vacancies. His answer, then, to the person who doesn’t think this project will do anything for economic development for the City of Newburgh is that all of these empty buildings will need to be filled to serve the people visiting the Armory, because even at the most basic level, there’s no where to eat. For the surrounding areas, there would be a need for motels, which do not exist at this time.

The Kaplan Foundation only grants for capital expenses; none of the grants that they’ve given have ever been for operating costs. The IDA Grant - \$500k, over five years, \$100k/yr. – would match the Kaplan Foundation’s grant.

Chairman Petro notes that the IDA required there be lease with the City of Newburgh, indicating that the Newburgh Armory Unity Center would operate the Armory for 25 years. Mr. Kaplan

advises that the Kaplan Foundation required the same paperwork, being that no foundation would offer monies to the NAUC if the City of Newburgh could take back the armory at their will. The agreement states that the only way the 25 year license agreement could be broken is if the NAUC doesn't live up to their mission of education, recreation and tourism. A copy of the lease is in the IDA's Newburgh Armory file.

Chairman Petro then reminds the Board that the IDA will match funds from the Kaplan Foundation for this grant. The \$500k will be given out over five years, in increments of \$100k per year. Also very important is "Project Expenditures." Chairman Petro asks Mr. Kaplan and Ms. Glenn to detail what is planned for the funds they will be receiving. Mr. Kaplan advises that the funds will go toward new ceilings, light fixtures, green turf, floors, bathrooms and to get the entire building up to code. This current phase of the project, "Phase II," has a budget of \$650k - \$800k, and then they will begin "Phase II B" which covers communication throughout the building and moving into the garage area, the fields outside and parking.

Chairman Petro asks Mr. Kaplan and Ms. Glenn where the additional funds for improvements will come from, knowing that the entire cost of the renovation will run about \$3M-\$5M. Mr. Kaplan responds that, now that they have their signed agreement with the City of Newburgh, they will be seeking other grant monies from other foundations.

Chairman Petro then mentions that there is some question as to whether or not the IDA has a valid reason to be a part of the project. Chairman Petro prepares to read an excerpt from New York State law, which is not an *opinion*. Ms. Rogulski adds that reading the excerpt from the New York State law will lend clarity to the fact that the IDA has a legal right to offer the grant. Chairman Petro reads the portion of the law that is also in the resolution:

"It is hereby further declared to be the policy of this state to protect and promote the health of the inhabitants of this state and to increase trade through promoting the development of facilities to provide recreation for the citizens of the state and to attract tourists from other states. The use of all such rights and powers is a public purpose essential to the public interest, and for which public funds may be expended."

Chairman Petro then addresses Mr. Brescia, and asks what the Governance Committee, which met just prior to the regular IDA meeting, found with regard to the Armory. Mr. Brescia found that the project meets the three main criteria by which they judge awarding grants. The criteria are benefiting the county on a county-wide basis, job creation and tourism, and based on the fact that the criteria are met, the Committee unanimously endorses the grant.

Chairman Petro mentions that the Armory was discussed at the last meeting, and since that meeting, members of the Board, including Chairman Petro himself, have made numerous visits to the site. He asks Mr. VanLeeuwen for comment, who remarks that it is a tremendous benefit for the city of Newburgh and its people. Mr. Brescia advises that he believes it will have a positive ripple effect on the town of Newburgh and the town of New Windsor. Mr. Schreibeis adds that he has visited the site and thinks it is a wonderful project, and Ms. Rogulski seconds everyone else's comment. Mr. Steinberg asks Mr. Kaplan what the floor of the arena will be comprised of, and is told that it will be artificial turf that is usable for sports and tourism and exhibits. He then asks about the parking situation at the facility, and Ms. Glenn advises that an intern from the Open Space Institute has been working on the parking plan for the land around the armory, and is working on a master plan to provide the 450 spaces that the Armory needs.

Mr. Eachus, a legislator who was at the site, adds that he is appalled that there would be any one who would be in any way against this project, and for his part, as part of the Orange County Legislature, he certainly backs the IDA's decision to grant the monies, and will work with Mr.

Kaplan to have it done by January. Chairman Pillmeier adds that he is excited that his recent appointee, Mr. Schreibeis, took time to see the site.

Ms. Rogulski points out that it is important to understand that the IDA has monies available, and would like to note that granting money to the Armory will not diminish the IDA's ability to support other businesses and other opportunities.

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

SUNY/Orange – Grant Application

Mr. Green of SUNY/Orange advises the Board that the he has prepared a Grant Application that details a 5 year program in which SUNY Orange better connects the classroom to the workplace, and shifts the classrooms to a student center, which would do a better job of preparing students to enter the workforce.

There is a budget of \$80,800. One part (\$58K) is dedicated to working up a grant package, including designing and legal fees. The second part (\$22.5K) is dedicated to supplementing those individuals who are focused entirely on the grant project.

Chairman Petro reminds Mr. Green that the IDA funds must be used for specific project costs, and clarifies that the purpose of this requested grant is to fund the proposal of another, larger grant. Chairman Petro would like Mr. Green to break out specific costs in order to be eligible for IDA funds. Mr. Green then explains that SUNY is working up a very ambitious proposal, and these IDA funds would be used to put the proposal together and use that to collect more substantial funds to create a new, national model for education. Chairman Petro asks Mr. Brescia if the Governance Committee has reviewed the request, and he advises that they did discuss it, but their concern is the use of the funds. Mr. VanLeeuwen adds that the IDA needs specifications of what they will do with the money. Ms. Rogulski points out that the IDA does not fund salaries, travel expense or general administrative costs.

Mr. Green notes that the IDA helped fund the development of the Business Solutions department, and he would like to continue with the IDA to complete the endeavor. He suggests that he can retool the application to reflect the capital expenditures that SUNY will get into – for instance, they must refit some of the facilities they already have. Chairman Petro agrees that retooling the application would be ideal, and Mr. Brescia asks that Mr. Green comes back with concrete expenditures for the Governance Committee before the next meeting.

Mr. Steinberg takes a moment to suggest that the IDA should not get too focused on hard capital costs, but should focus on education, as the education will be help people in the area attain better and more lucrative jobs. Chairman Petro agrees, but notes that the help must be given within the IDA guidelines.

Mr. Crotty reminds the Board that SUNY/Orange is also progressing with the IDA on another track, which is the computer-aided manufacturing project. Mr. Green is working with Peter Gregory on making a business plan for this project. And Mr. Crotty would like the Board to keep in mind that another, more specific project, will be coming to the IDA in the coming months.

No action taken.

Museum Village – Grant Request

Chairman Petro advises Mr. VanLeeuwen that the grant request he presented to Chairman Petro prior to the meeting needs to be reviewed by the Governance Committee prior to the next meeting.

[Steve Brescia exits the meeting]

OCP Report

Maureen Halahan begins by advising the board that last month Mr. O'Donnell asked for some Broker Tour books, and passes out two copies of the books, which include the properties available in Orange County. Since the broker tour last month, they received 3 direct leads and 2 personal site tours.

On Business Retention and Expansion side, they have 4 closed expansions this year and Ms. Halahan highlights two of them. The first is Centerline Studios in New Windsor that built 240,000 square feet of space and created 50 new jobs, which was an IDA project. The second is Satin Fine Foods, which was a 92,000 square foot facility in the town of Chester, which added 50 new jobs and was also an IDA project.

There are 9 pending expansions, 3 of which should close this year. The first, Steris Isomedix, who sterilizes medical equipment, is located town of Chester, and is a 10k square foot expansion. They are only adding "a couple" of jobs, but it is a \$12M capital investment in the town of Chester. Second is Coach USA, 200,000 square feet, also in the town of Chester, with 300+ new jobs. Lastly, Orochemical in Washingtonville, who manufactures flavoring for the food industry, has a 20,000 square foot expansion, with 9 new jobs.

Additionally, there is a confidential manufacturing project still in the works that she addressed last month. It is likely to be an expansion in Orange County which could result in hundreds of jobs. While she can provide no details due to the confidentiality, she can say that she's discussed the IDA with them. Mr. Crotty clarifies that it is an expansion and the company is already located in the county.

Continuing, she addresses Blue Cross Blue Shield, which is a questionable retention issue right now. They have 400 jobs in their building, and OCP has been working with the County Executive and the State to prevent them from leaving the area. BCBS has been looking at other sites, and the developer of their current building is marketing the space as rentable. The lease comes due in 2/2012, and they have not yet re-upped their lease, or taken an option for it. However, they are starting to talk about the possibility of renewing the lease. At this time, however, OCP is marketing the property and they will keep the IDA posted. She notes that the OCP has met with 19 new companies this year to ensure that Orange County companies are aware of the services the OCP provides.

Moving on to the Attraction side of the OCP, Medora Snacks and Sun Wise Technologies have closed. Medora, who provides snacks for Jet Blue Airways, brought 80 jobs in the town of Wallkill. Sun Wise is also in the town of Wallkill and provides 40-50 new jobs.

In the pipeline:

*Project Ride: A company that was shown the BCBS building. The building might be too pricey for them, but the company could provide up to 700 jobs in their 24-7 call center operation. They would really like to be in Orange County, but they need to find the right property first.

*Project Rocky: 500 jobs, 1.3M square foot distribution center. They are looking at the Hudson Valley Crossings site, and are still actively speaking with the OCP and the County Executive.

*Project Value: There is still no news on this long-standing possibility. The parties in charge of the project – which would provide 115 jobs – have indicated that the project is not dead, yet every month, for four months now, the project gets pushed back.

*Project Park Place: Concerns the Georgia-Pacific building in Warwick. Park Place got the green light from the Georgia-Pacific building owner to drill test holes in the building, which will allow them to understand if there are any environmental issues. They are scheduled to be in contract within the next three weeks, subject to what they find.

*Project Yellow: This is a \$1.3M distribution center, which is very intent on the Hudson Valley Crossings site.

Hudson Valley Agribusiness Development Corporation

Todd Erling, executive director of HVADC, introduces himself and the company by advising the members that HVADC is a regional not-for-profit that focuses on agriculture as economic development. He reminds the Board that HVADC exists because of the original partnership between Columbia County and Orange County. The IDA has provided HVADC \$25K per year for three years, and has matched the funds offered by Columbia County's EDC and Dutchess and Ulster counties' IDA. The three other counties have renewed their commitment to HVADC, and they are just asking Orange now. Additionally, Sullivan County has signed on for the same \$25k per year for three-year commitment just this year.

He provides an update to the Board, advising the Board that the regional director of the Economic Development Administration, which gave the HVADC an award for TA funding and they need the matching fund for that. The \$25k renewal (per year for three years) from Orange County would go toward that match. Recently, the HVADC has compiled farms and restaurant into a database, called the Orange County Bounty program – which has recently graduated to a *Hudson Valley* Bounty program. They contacted all of the farms that sold products of interest to local restaurant chefs and caterers, and now the database holds over 230 farms and 250 restaurants throughout the four counties in a single searchable format. It's been made available to the tourism department and has been actively branded with the regional tourism council, which means that events happening within Orange County are advertised through a 10-county region. They have also offered technical assistance to specific projects in the form of business planning, market and feasibility analysis, and bringing startup farms into QuickBooks, for example. They've been successful with leveraging funds with the Small Business Administration and are currently in a second round of an SBA contract. They would like to ultimately create a revolving loan fund for the region that they can bring into the counties to help existing private and public lenders and grant programs to match, and fill some of the gaps, as they pertain to agriculture and agribusiness. The \$25k can be earmarked towards specific expenditures, such as website development, hard deliverables or toward specific non-administrative expenses. Mr. Erling will break out the costs for the IDA.

Chairman Petro advises that Mr. Erling should break down the specified costs and send them to the IDA so that the Governance Committee can review it prior to the next meeting, and at that next regular meeting, HVADC will be on the addenda.

Ms. Rogulski asks if any of the funds will be used for non-food agribusiness. Mr. Erling confirms that the funds will, in fact, be used for different things, such as equine, biofuels and other commodities that aren't food specific.

Mr. Steinberg asks if they've had a chance to meet with another IDA client, Continental Organics. Mr. Erling said the opportunity has not presented itself as yet, but when the opportunity arises, he believes they will a great help to Continental Organics.

Mr. DiTullo adds that Mr. Erling has met with the Orange County Business Accelerator, and has suggested the Accelerator be used for local HVADC operations.

Mr. Erling advises that he will be back by the next meeting.

CPV

Chairman Petro introduces CPV as an \$800M plant in Wawayanda, which is an electric power plant with gas turbines. The IDA has reviewed this quite a few times, and hired Girasole which is a consulting firm out of Syracuse to help the IDA with the PILOT agreement, as \$800M PILOTs are not typical in the area. CPV's PILOT is 22 years – 2 years for construction and 20 for the PILOT. One of the hold ups in the project is the Host Community Agreement. Chairman Petro would like the members to understand that some aspects of this project have been finalized with the IDA and some have not; the consulting firm has come up with one number which can be paid out over 22 years, and CPV has another number. The one thing that is finalized was the fee to the IDA, and that fee was \$2.6M, which was a negotiated fee of about 3.5%.

Mr. Remillard of CPV distributes packets to the Board that give background and information regarding CPV and their projects. He notes that there has been a lot of activity this year, one of which was the \$900M facility in California, which demonstrates that there is an appetite in the lending communities for these types of projects. Another project is in Woodbridge, New Jersey which is just like the facility they're proposing here. He also notes that the demand for electric power is on the rise, especially considering the age of the existing structures and the advances that have been made in the structures CPV is proposing. He also notes that CPV is an electricity wholesaler, not a retailer. But he notes that electric rates have gone down in the state of New York, but the decrease is offset by a lot of the taxes that have been added onto the utility bills for the consumers.

CPV has been working with the town of Wawayanda since mid-2010 in putting together a Host Community Benefits Agreement. The town is proceeding very prudently and has brought in consultants to help them evaluate the best deal for the community. Once an agreement has been reached, the next step for the company is ensuring that the design works for both the project and the community. To that point, they were able to get the approval to allow the transmission line for interconnectivity to go underground. They will be using very little water from the town, but they will be using waste water for the process.

They met with the city in January of this year to close up some of the contractual issues – such as permit modification issues – and they plan that that will go through the approval process and close within the next quarter year. They expect to work mid-next year, after getting permits and agreements finalized, and then going through the commercialization phase. The purchase of the farmland property is under option, and CPV uses only 30 of the 170 acre property. The project will boast about 25 full time employees after construction is complete, and roughly 660 construction jobs for 2 years. Those jobs will be prevailing-wage and union jobs.

Mr. Remillard goes on to address the Gas Interconnector, which was an issue the last time they came before the Board. He advises that, in November of 2010, CPV signed an agreement with Millennium Pipeline to provide service.

Chairman Petro advises that the next step with the IDA will be to figure out the real numbers, to find the happy medium between Bessy Corp's (who is CPV's consultant) numbers and Girasole. Chairman Petro advises that he will handle the negotiations to a point that makes sense and then report back to the Board. He wishes to point out that he will not be making the final decision

himself. He wants to make sure that both consulting firms have used the correct comparables to make their judgments.

Chairman Petro also advises that the IDA will hold a public hearing held for CPV. In prior hearings, CPV has experienced a balanced mix of support and concern in their public hearings, but of the 24 people who spoke in their last hearing, only 6 to 10 were concerns.

Mr. Crotty asks Mr. Remillard if they will be negotiating the Host Community Agreement at the same time they are negotiating the PILOT. Mr. Remillard believes that he will. Chairman Petro notes that the Host Community Agreement should be available to the IDA, and the PILOT will be available to the town. Mr. Remillard agrees.

Other Business

Chairman Petro advises that a Governance Board Meeting at 2:15PM on Wednesday, August 17, prior to the regular IDA Board Meeting to discuss PTAC, HVADC, SUNY, the Firefighters Grant and the Orange County Business Accelerator's proposal for an IDA commercial.

Meeting called for adjournment by Chairman Petro, seconded by Mr. VanLeeuwen, the time being 5:20 p.m.