

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

August 15, 2012

A regular meeting of the Orange County Industrial Development Agency was convened in public session on August 15, 2012 at 2:00 P.M. at the Orange County Business Accelerator, in New Windsor, New York.

The meeting was called to order by the Chairwoman, Mary Ellen Rogulski, and upon roll being called, the following were:

PRESENT: Mary Ellen Rogulski, Stephen Brescia, Henry VanLeeuwen, Robert Schreibeis, Russell Vernon

ABSENT: Robert Armistead, John Steinberg

ALSO PRESENT: James O'Donnell – Executive Director
Kevin Dowd – Attorney
Laurie Villasuso – Administrative Assistant
James Petro – Town of New Windsor
Russell Gaenzle – Harris Beach, PLLC
Peter Gregory – Orange County Business Accelerator
Peter Malone – Orange County Business Accelerator
Alan Seidman – Orange County Partnership
Steve Knob – Employment and Training
Rudi Hilken – Merete Medical
Jessica DiNapoli – Times Herald Record
Richard Rosen – Columbia Development
Gaynor Rosenstein – Crystal Run Healthcare
Brandon Stabler – Columbia Development

Chairwoman Rogulski calls the meeting for the Orange County IDA, August 15, 2012 (Pledge of Allegiance is recited). Board consists of five members. There is a quorum.

Chairwoman Rogulski introduces Mr. Vernon, the newest IDA board member, and Mr. Dowd, the IDA's new attorney.

Review of the prior July 18, 2012 meeting minutes. Motion made by Schreibeis, seconded by VanLeeuwen to approve the minutes as presented. Motion carries with four ayes and one abstention.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman asks the members to refer to the income and summary expense report. Mr. Kleiman informs the Board that, for the year, \$2.2M has been collected and \$686K expensed, and the IDA is "to the good for" \$1.6M. He calls attention to checks in the amount of \$1.4M this month, which have come from IBM. He reminds the Board that last year the IDA received a check from IBM, only to have IBM claim that the amount was a mistake. At that point, the IDA engaged an audit firm – Judelson, Giordano and Siegel – to audit the payment and the backing to those payments. This year, however, the IDA received a check larger than last year's. Copy of the payment was forwarded to the auditing firm.

Mr. Kleiman also calls attention to the Schedule of Bank Accounts. He notes that the checking account balance is high and that the IDA will open a CD or Money Market with the surplus funds. He adds that we are soliciting rate bids from the 9 banks with which the IDA deals. Once the best rate is received, \$1.4M will be moved out of the checking account.

Mr. Vernon asks if we are required to use only CD and Money Market accounts; Mr. Kleiman advises him that the IDA is quite restricted in the type of accounts it can use. The state is concerned with safety over return, and the bank is concerned with collateralization.

Mr. Kleiman then goes on to address the 2013 budget, the draft of which will be reviewed at the Audit Committee meeting prior to the regular IDA meeting on September 19th. After their review, the 2013 Budget will be presented at the regular meeting. A budget for the OCFC must be reviewed as well, a draft of which has been prepared by Mr. Kleiman.

Mr. Petro comments that by law, CDs must go to the highest rate; there is no reason to assemble the audit committee to open an IDA CD.

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

Chairman's Report

Chairwoman Rogulski welcomes the new IDA Board Member, Mr. Vernon, and new IDA Attorney, Mr. Dowd, on behalf of Chairman Armistead. In addition, she highlights an article in the paper about the benefits of the IDA.

Executive Director Report

Last month, Mr. O'Donnell met with Mike Oates of HVEDC and Larry Gottlieb who runs Westchester County's Economic Development. With the Hudson Valley Food and Beverage Alliance, they are trying to organize a bus tour from some of the major food industries in Westchester County, to come here and tour some of Orange County's farms, including Pine Island and Continental Organics. He requests authorization to pay for the bus, up to \$1200, once the tour is organized.

Motion made by VanLeeuwen, seconded by Vernon, to authorize Mr. O'Donnell to pay up to \$1,200 the Hudson Valley Food and Beverage Alliance bus tour transportation.

Mr. O'Donnell turns over the floor to Mr. Vernon to give an update on Newburgh Armory.

Mr. Vernon has visited the armory often over the last month, and he reports that OCCC and MSMC have donated a hundred or so computers and desks, which has facilitated adult education classes at the Armory, including English as a Second Language training. Athletic programs continue, and in order to participate in athletics, the kids have to participate in tutoring. Several entities donated clothing, but the Armory has created a voucher system for the clothing: someone who needs the donated clothing earns a voucher for hours worked in the Armory or the community, and that voucher is exchanged for clothes. A library program has begun in the Armory. The library will be fully outfitted within 30 days, and the indoor soccer facility will be completed in 90 days. The impact to the community, he notes, has been incredible. Already, a diner that has been closed for years is reopening, and doctors' offices near the Armory are opening.

Mr. O'Donnell adds that the youth director for Orange County was able to get \$1,500 for books for the Armory's library program, and the Armory library has 100 Newburgh children as members. Mr. O'Donnell also advises the Board that he and Chairman Armistead toured the Armory about 10 days ago. He also suggests having the next meeting at the Armory; the meeting will start at 2:00, but there will be a tour offered at 1:00.

Motion made by Brescia, seconded by VanLeeuwen to hold next month's meeting at the Armory.

Mr. O'Donnell adds that he'll be meeting with CPV and former Chairman Petro next week.

OCBA Report

Mr. Gregory distributes the Orange County Business Accelerator Newsletter.

Mr. Gregory notes that many clients are making valuable connections with each other. He also advises the room that Willy Gilly Productions, an Accelerator client, held a large red carpet premier of one of their films which was covered in the local paper. 4E Productions' Letters To Daddy programs is going to be at Bethel Woods August 30th. Their appearance there may help facilitate getting the program into even more schools. He also informs the Board that the Micro Loan committee met before the meeting and they have, with the efforts of Chairwoman Rogulski, been able to streamline more of their lending process. On a related note, Community Capital Resources has been at the Accelerator at least once a week, every week.

He adds a note that the first graduate associate client, OC Snowboards, has moved into a great location and is doing very well, employing 15 – 20 people at a time.

In Continental Organics news, Cornell has moved their short form class in hydro/aquaponics to Continental Organics' location in New Windsor. They were able to take the Cornell experience from a lab environment into practice.

FutrFab has been moving along, and Frugaldoo has attracted a major west coast partner, and have increased their presence in the local hotels to get people to join in the Frugaldoo system right away.

Mr. Gregory then introduces Mr. Hilken from Merete Medical. Mr. Hilken shows the Board members an example of the type of supplies his company sends to doctors; included in the kit are sterilized medical implants, tools and parts for knee replacements. He notes that the bill he would send to a doctor for the knee replacement would be \$15-25K, while the operation itself probably approaches \$100K. He explains the logistics of the operation. He adds that he will need to hire individuals who are able to train the doctors with the equipment inside the operating rooms, and will also be hiring an office staffer later this year. He also notes that this location is ideal for him as he needs to use FedEx and UPS to get the kits to the doctors overnight. When he mentions that the kits themselves come in from Germany, Mr. O'Donnell suggests that Mr. Hilken contact him for possible FTZ benefits.

With regard to the marketing plan from the last meeting, Mr. Gregory has met with Mr. Burpoe to put together an RFP for the marketing campaign.

Chairwoman Rogulski asks if Mr. Gregory would like to speak to the OCBA Budget, and he advises that he's tracking expenses and everything seems to be on track.

Mr. Malone adds that he's been putting together a mailing list to target specific categories and finding leads. He advises that been working with Focus Media to prepare brochures and postcards; the goal is to send out the information and have accountants, financial planners and such send leads to the Accelerator.

Next month, Mr. Malone is scheduled to present at the NYS Association of Realtors, and he is preparing an incentive program for those realtors for bringing in either an associate or resident client.

OCP Report

Mr. Seidman offers a report for OCP.

*Project Green: Distribution company looking for 50-60 acre site for a 500 square foot facility. If completed the project will employ 375-400 people.

*Project Lighthouse: Stores pre-cast concrete material, and needs 40 acres

*Project Blue: Looking to build 800K square foot facility, including 50K square foot of office space, and would employ approximately 1,000 people with multiple shifts, and would like to be in the building by the 3rd quarter of 2013; they have had extensive interest in the Hudson Valley Crossings site.

*Project Pure: Working with HVEDC for this data center project. The client is interested in site in Orange, Rockland, Westchester or Dutchess Counties; they must be within 70 miles of Manhattan in NY State.

*Project Heat: a company relocating their manufacturing facility. They manufacture heating equipment for industrial and commercial buildings; they are looking to move here with 20 employees, and would like to purchase an existing building from 20-60K square feet with one or two dock doors.

Mr. Seidman informs the Board that, August 2012 over August 2011, there have been 20% more leads, and he credits this increase to the WSJ ad. Tracking the progress through their dedicated phone line, he also announces that it has led to 10% more site visits. He notes that he and the OCP Board will be asking Ms. Halahan to repeat that ad.

Update from Steve Knob – Employment and Training

Mr. Knob, director of the Orange County Employment and Training Administration, is here to discuss the activity they have with the local employers. Mr. Knob and his team primarily run the Orange County Works career centers, and co-locate with the NYS Labor Department, and assist unemployed individuals with training to get them back into the work force. The main service they offer for employers, he adds, is their recruitment service out of the One Stop Career Centers, with the hopes of finding good applicants for employers. In addition, there is an on-the-job training program, in which they will pay fifty cents on the dollar to employers of 250 or more; seventy five cents on the dollar to employers of 249-150, and for companies with under 150 employees, they can pay up to 90% of the wages of an eligible employee.

In addition, NYS has just received a federal NEG grant: \$6.5M in OGT funding is available, which, if received by E&T, will be distributed to local employers.

Currently, E&T is working with President Container, helping them with applicants from a job fair in July. They were looking for 30-35 folks for the second and third shifts. E&T helped them with screening, and President Container was able to find enough people to fill the shifts. The wages are anywhere between \$12 and \$16 an hour. For 11 of the 33 people hired, E&T was able to secure On-The-Job training contracts.

They are also working with Webster Trucking, who has openings in Newburgh and Chester. They primarily work with C&S Wholesalers, and they have a need for up to forty CDL drivers. In a search of their data base, there are roughly 96 people in Orange County who meet their qualifications. They'll widen their search to provide more options by the time their job fair comes around.

Lastly, they have been working with Future Home Technologies. They make pre-fab houses in Port Jervis, and they have a new management team who has recently reached out to E&T. With the economy getting better, they have more orders for homes, and they're looking for about 30 employees with construction backgrounds, who will make between \$10-15 per hour.

OCBA Lease Renewal Letter

Mr. Dowd explains that the lease for the Accelerator is up for renewal. The lease says it has two one-year automatic lease renewals, on 365 day notice. We are into the first year and of that notice and he notes that it should be memorialized in a letter; in addition, on October 19th, the Accelerator will be into its second one-year renewal, and we must give notice of our intention. He requests a motion to allow renewal of the lease.

Motion made by Brescia, seconded by VanLeeuwen to send letter indicating the intention of the IDA to renew the lease on the Orange County Business Accelerator. Motion carries with all in favor.

CRH realty VI – Final Resolution

Mr. O'Donnell advises that the public hearing was held, and the transcription of the hearing has been included in the packets.

Mr. Dowd reads the Final Resolution aloud. Motion made by Vernon, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried

CRH Realty III – Initial Resolution

Mr. Rosen from Columbia Development, on behalf of Crystal Run, introduces the project. The project is located in the Village of Monroe on Route 17M, an area which was identified years ago as a potential growth area for Crystal Run Healthcare. The facility will offer services similar to the Rykowski Lane project's services, with the only difference being that there will not be an ambulatory surgery center; this facility will offer all outpatient services. Crystal Run Healthcare is one of the largest private employers in Orange County; this project, over a few years, will result in over 450 new jobs to the area. The project is well over \$50M in total. They would like to start construction in spring of 2013, and have been working very closely with the Village of Monroe.

CRH Realty III is seeking Sales Tax Exemption, Mortgage Recording Exemption and a 10 year PILOT agreement – the same PILOT requested for CRH Realty VI on Rykowski Lane.

He adds that he believes this project is a perfect fit for the IDA due to the number of jobs and average salary of those employed. Ms. Rosenstein adds that 70 physicians will be added to the area, in addition to all other FTEs.

Mr. Dowd reads Resolution Accepting the Application of CRH Realty III, LLC aloud. Motion made by Brescia, seconded by VanLeeuwen. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business

Mr. Brescia asks for clarification of a recent THR article, which he believed inferred that Orange County gives the IDA \$200K per year, where the IDA actually gives the OCP \$200K. Mr. Petro advises him that the article did read correctly, and indicated the IDA gives the OCP \$200K.

Mr. Petro notes that he will meet with MSMC in the coming week, and MSMC will come to the IDA with a request. Mr. O'Donnell adds the request will likely be regarding the business school; he also notes that MSMC was chosen as a priority project by Orange County for the Mid-Hudson Regional Economic Development Council.

Chairwoman Rogulski reminds the room that September's meeting will be held at the Armory.

With no further business, meeting called for adjournment by Chairwoman Rogulski; motion made by Mr. VanLeeuwen, seconded by Brescia, the time being 3:10p.m.