

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

September 19, 2012

A regular meeting of the Orange County Industrial Development Agency was convened in public session on September 19, 2012 at 2:00 P.M. at the Newburgh Armory Unity Center, in Newburgh, New York.

The meeting was called to order by the Chairman, Robert Armistead, and upon roll being called, the following were:

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

ABSENT: None

ALSO PRESENT: James O'Donnell – Executive Director
Kevin Dowd – Attorney
Laurie Villasuso – Administrative Assistant
Russell Gaenzle – Harris Beach, PLLC
Peter Gregory – Orange County Business Accelerator
Peter Malone – Orange County Business Accelerator
James Petro – Town of New Windsor
Maureen Halahan – Orange County Partnership
Bill Kaplan – Newburgh Armory Unity Center
Deirdre Glenn – Newburgh Armory Unity Center
Carmen A. Vazquezteell – Newburgh Armory Unity Center
W. Chris Hawkins – Newburgh Armory Unity Center
Senator Bill Larkin
Kevin D. White – Boys and Girls Club of Newburgh
Vincent Cozzolino – FALA Technologies
Father Kevin Mackin, OFM – Mount Saint Mary College
Jim Ramo – Mount Saint Mary College
Andrew Weiss – Mount Saint Mary College
Joe Valenti – Mount Saint Mary College

Chairman Armistead calls the meeting for the Orange County IDA, September 19, 2012 (Pledge of Allegiance is recited). Board consists of seven members. There is a quorum.

Review of the prior August 15, 2012 meeting minutes. Motion made by VanLeeuwen, seconded by Brescia 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 monthly income and expense summary. Year to date, through the end of August, the IDA has taken in \$2.2M, and the expenses have totaled \$881K. Revenues exceed expenses by just under \$1.4M. Last month, the IDA received two checks from IBM totaling \$1.4M. That's part of the reason the IDA has shown such a surplus so far. Just recently, the IDA has received an additional 2 checks from IBM that total approximately \$174K, due to what they stated was an underpayment in the checks they first sent. Those checks will be included next month. Moving on, he asks the members to refer to the bank accounts and investments. As a result of the large checks from IBM, the IDA opened bidding on CDs and Money Markets, and awarded the bid to Orange County Trust, for a one year CD at 0.50%. Cash and investments total approximately \$8.3M. He also notes that the OCFC checking has a balance of just over \$133K.

Mr. Vernon asks if the IBM checks were a result of the IBM audit; Mr. Kleiman advises him that at this point he is unsure if the audit has impacted *this* payment; the audit more closely examines the prior years' fees. Chairman Armistead notes that, recently, IBM made a significant capital investment into their mechanical systems; because of the investment, the jobs and fees were generated.

Mr. Kleiman then calls attention to the list of receipts and vouchers for approval. Through the month of August, the IDA collected just over \$38K, and paid vouchers totaling just over \$26K.

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

Mr. Kleiman adds that next month he will present a proposed budget for the IDA, which will include the OCFC and OCBA. The Board will review the budget, make any changes necessary, hopefully approve it, and then the budget can be submitted to the ABO for 2013.

Executive Director Report

Mr. O'Donnell begins by advising that the month has been busy. Along with HVEDC and OCP, he met with a Chinese Investor group, showing them properties at Stewart Airport, among others. This is the second time this group has visited Orange County – he and Mr. Oates met with them about two months ago at a facility in Warwick. They are very interested in Orange County, and it's looking very good.

With regard to Project Blue, Mr. O'Donnell has had conversations with their project managers. Ms. Halahan has given updates on this project before: It's a \$90M project with over 1,000 jobs, with a million square feet of space. Ms. Villasuso is doing the cost benefit analysis of the project, and he is in the process of getting more information from them; there will be more on that in October.

Project Green has been working with the IDA, OCP, HVEDC, as well as the state. The project is 375 jobs, \$45-\$50M project. Mr. O'Donnell is waiting for more figures from them, as well, and Ms. Villasuso is doing their cost benefit analysis. Mr. O'Donnell expects that they may be here next month for a full presentation.

Satin Fine Foods is looking to expand, and Misters O'Donnell and Oates would like to make them part of the Food and Beverage Alliance and will meet with SFF in a few weeks.

The public hearing for CRH Realty III is tomorrow, in Monroe.

Lastly, Mr. O'Donnell met with Mr. Remillard with regard to CPV; Mr. Petro was also able to attend that meeting, and Mr. O'Donnell thanks him for his continued support for that project. The project is moving along, and he hopes to have an update on the project for next month's meeting. At this time, it is up to the state, but that is moving along as well.

There are two projects, applications for which were received yesterday, that Mr. O'Donnell asks Mr. Gaenzle to discuss.

Mr. Gaenzle advises that first project was actually induced by the IDA last year: Walkkill Realty Partners, LLC. It did not close, and is coming back to the Funding Corp. The Funding Corp will have a meeting following the regular IDA meeting, but Mr. Gaenzle offers to explain the projects at this time, since the Boards are identical. Walkkill Realty plans to construct a 200-bed, 130-unit assisted living facility on Rykowski Lane in Walkkill, which be leased to low-income seniors. The resolution that we would be seeking today from the Funding Corp just accepts the application and authorizes staff and counsel to start the public hearing process. Once that is completed, the application will come back to the Board for approval.

The second project is from Mount Saint Mary College, who is also seeking Conduit Tax Exempt bonds from the Funding Corp. They are requesting approximately \$60M in the bonds to take advantage of low interest rates to refinance some existing DASNY debt, and to finance the renovation of an existing building for student housing and the library. He reiterates that this resolution will simply accept the application and authorize the public hearing.

He also notes that there is no action to be taken by the IDA; this matter will be discussed before the OCFC.

OCBA Report

Mr. Gregory distributes reports he has prepared with regard to the Orange County Business Accelerator.

Mr. Gregory advises that the Accelerator is at 90% occupancy and clients are moving ahead. At any one time, he is involved with half of the clients with business plans, moving them toward finance and marketing. There are eight

resident clients, one of whom – Merete, which was before the Board at a previous meeting – occupies two rooms. He points out that October marks the Accelerator's third anniversary, there will be an open house event and tour, which will also formally graduate Continental Organics. He also mentions that OCBA has really hit a stride with the Business School at MSMC, with ways to integrate industry with business.

Moving on, there are 13 associate clients, and there is a class of perimeter prospects in both resident and associate clients. There is a concentrated area of business assistance: HVEDC has a presence in the office, there is regular contact with OCP, in addition to PTAC office hours in the Accelerator and the presence of Community Capital Resources. He adds that there are companies that may be able to take advantage of the proposed Micro Loan Fund.

Mr. Gregory distributes a copy of the Accelerator's proposed budget. He notes that the HVEDC lease is up, and it will be addressed and revised to suit their needs. Chairman Armistead reminds Mr. Gregory that the budget will be finalized at the October meeting, and the Board will discuss budgeting with Mr. Gregory before then. Mr. Gregory reminds the Board that the major change in the budget is his request for a 50% increase in the marketing budget. He notes that there is more advertising that can be done outside of the local area; he would like to appeal outside the area for more businesses.

Mr. Malone advises that he has recently kicked off a mail campaign to 3900 accountants and attorneys. He shows an example of the mailer. He adds that the Accelerator recently attended the Orange County Chamber Expo, and that he and Mr. Gregory recently visited the NYS Commercial Association of Realtors and put on a presentation to about 30 brokers, and Mr. Malone is in the process of putting together a referral program for commercial realtors, as he feels it is a good way to invite business and growth.

Chairman Armistead reminds everyone that Mr. Malone has been with the Accelerator for only two months, and he is already moving forward quite impressively.

OCP Report

Chairman Armistead notes that he attended his first Partnership Board meeting recently. He adds that Ms. Halahan has recently celebrated her 10th anniversary with the Partnership.

Ms. Halahan thanks Chairman Armistead, and reminds the room that the Investor Breakfast on October 4th.

She distributes packets of information to the Board Members, and starts with the page that highlights the American Images Publication, which is a demographic profile which the OCP does every two or three years. In it, they quantify all of their numbers throughout the County, and they bring the publication to the trade shows. She notes that this publication will be available at the Investor Breakfast. She also highlights the WSJ Insert; the 50K inserts, coupled with the TV ad campaign, yielded 95 calls from companies, 15 qualified leads – which she describes as potential clients who actually visited Orange County – and one deal. There were also 2700 more website visits this year than there were last year, and most of those visits were unique, first time visitors. Their international leads have also increased. The packet highlights their newspaper, website updates, trade show attendance, results of marketing efforts and marketing focus for the upcoming year.

Ms. Halahan goes on to highlight their business retention and expansion efforts. In addition, they are negotiating with CCIM to have them host their first ever Hudson Valley Market Forecast in the Hudson Valley, which currently takes place upstate and in NYC. She adds that the Investor Breakfast is on Oct 4, and the annual event is on Dec 4, and that their quality of life award recipient is for the Newburgh Armory.

As far as attraction updates, there have been 75 total leads – 35 in manufacturing, 16 in distribution, 18 in office/service and 6 in tourism. Six have closed so far this year. She goes on to highlight current projects:

*Project Gypsum – data center that was interested in the Mid-Orange Correctional facility. O&R is in dialogue with the project. It is not moving as quickly as originally planned, but they are in discussions with the town supervisors. The jobs are about 10-50, and \$50-100M capital investment.

*Project Car – came through Wall Street Journal ad. Auto company planning to move a training facility to Orange County. Ten jobs.

*Project Sail – Energy plant which has identified a site in Orange County – Slate Hill Bio Mass Site in Wawayanda – 125 jobs with a \$400M capital investment. They have already submitted an application to the IDA.

*Project Garden – financial company based out of Manhattan looking to move their call center facility. They have visited several sites in the Town of Wallkill and are very interested in one site there.

In the last 60 days, Ms. Halahan continues, there have been multiple leads:

- Project Pure: 50 acre data center looking in Orange, Rockland and Dutchess Counties
- Project Deep Freeze: food distribution company looking for 50K square feet of refrigerated space; 20 employees
- Project Lace: manufacturer of shoes and boots
- Project Finch: interested in manufacturing space for medical products
- Project Echo: interested acquiring production, distribution and headquarters space.

OCP has seen an increase in manufacturing companies related to the Tappan Zee project. There is also a rise in e-commerce. While there has been an increase in leads this year, and a decrease in closings, their pipeline has increased by 30%. She details some of OCP's special projects. Moving on to the Mid-Regional Council, Ms. Halahan notes that Orange County had about 16% of the share of the 25 priority projects.

Looking beyond 2012, the Broker Tour is next year, and there is also a Market Ready Initiative being worked on for shovel-ready sites. They would also like to do another WSJ ad next year, as well as having testimonials from clients.

Mr. O'Donnell notes that there are 22, not 25, projects in the Mid-Hudson Regional Council. There are 22 priority projects that were picked. The projects are competing for \$25M; but the Council also came out of Executive Session and recommended to the Board that \$5M will be distributed to their top five picks. Orange County has two projects in the top five, and those projects could receive the cash incentive.

Chairman Armistead also notes that the Coach job is moving ahead and is out to bid. Mr. O'Donnell notes that the County Executive has also been involved in the Coach project.

Chairman's Report

Chairman Armistead introduces Mr. Kaplan, who will give an overview of the Newburgh Armory Unity Center.

First, Mr. Kaplan introduces four of the volunteers at the Unity Center: Deirdre Glenn, Carmen Vazquezteell, Chris Hawkins and Kevin White. He reminds the Board that he and Senator Larkin secured the Armory from the City of Newburgh for a dollar, and that they built the Unity Center organization from the ground up. He notes that Mount Saint Mary College was instrumental in the success of the Armory, as well as in the success of the revitalization of Newburgh. He adds that the Unity Center is run with one employee, and a team of volunteers, while 15-25 thousand people are coming through the doors. He tells the Board they are working on completion of the Drill Hall, and also adds that, without the IDA, the Armory wouldn't have moved forward in the first place.

They have set and exceeded goals to increase tourism and activity and community investment in Newburgh. He adds that the drill hall will only serve to further the Armory's success. Mr. Kaplan remarks that one area where they have surpassed his hopes is the educational programs offered through the NAUC. Three colleges have aided in the creation of an English as a Second Language course. Ms. Vazquezteell, a professor at SUNY New Paltz and volunteer at NAUC, explains when and how the program began. So far, they have served over 60 adults since January. They have an average attendance of over 20 people every Saturday in the free-of-charge class. In addition, they have begun to offer computer training programs as part of the ESL program which teaches basic computer skills to people who may never have used a computer. They are also beginning a computer course for seniors.

She moves on to explain the Armory's summer reading program. The program was started as a response to the school district putting out a summer reading list; each student had to read two books by one author and complete a series of projects. With many kids without access to the books, the Armory started the reading program. Through donations, they were able to provide four of five copies of every book on the list, and started a library at the Armory. Part of the program requires that the kids read before they are able to play in the Armory. Ms. Glenn points out that there are approximately 1,000 students in every grade of the Newburgh Enlarged Central School District, and offering the books to the kids who would have had no access to the books otherwise was a huge accomplishment for the Armory. They also registered over 150 kids to be participants in the library, in addition to registering their adult ESL students. The Armory also offers a GED program, which started in July, and is offered in English and Spanish. Currently, there are 25 adults enrolled in the program. SUNY will run 4 classes out of the Armory for local individuals, which will begin the end of September. Additionally, the Armory is offering organized workshops for New Americans with regard to immigration issues, and offers various cultural programs and education summer camps.

In terms of Tourism, the Armory is hosting Orange County Veteran's Day on September 29th. The event promises to bring up to 4,000 people to the Armory. In addition, the Hudson Valley Youth Soccer and Eastern New York State Soccer

Olympic Development Program leagues meet at the Armory. The Tri-State Olympic boxing semifinals and the Tri-State Gymnastics events will take place at the Armory, and brings spectators from many states. They are also hosting a number of trade shows and multiple YMCA and YWCA programs. Other programs the Armory offers include: Sea Cadets, Puerta Del Diolo de Rockland, Orange County Hoops, Girls on the Run, Girl and Boy Scouts, Greenway projects/Community Garden and Veterans Groups.

Mr. Kaplan introduces Kevin White, CEO of the Boys and Girls Club of Newburgh. Mr. White, who is on the athletic committee of the Armory, advises that he and his group work with kids as young as 6 and up to age 18. The very successful basketball program they offer is not just to play, it's for instruction so that the children develop and grow. The club also works with the older children, the groups of 15-18 year olds. That group found the Armory to be a place they could come and not be concerned with the issues on the streets. Mr. White reminds the room that Newburgh has a gang problem; kids from one part of town won't come to the other, but they will all come to the Armory. He notes that they have launched five new teams last year, they have been practicing at the Armory, and he credits the Armory with the success of the program. Ms. Vazqueztehl adds that there are soccer leagues that meet at the Armory; the 75 kids play on Saturdays within their four different age groupings.

Mr. Kaplan then notes that an old diner that has been closed for 25 years is now scheduled to reopen on September 15th. He suggests that the increase in activity that the Armory has generated has given reason for the diner to reopen.

Senator Larkin notes that, at a time when most cities are trying to unload their armories, or investing obscene amounts of money to make them manageable, the Newburgh Armory is the standard to which all other cities are striving. To have painted, renovated and reinvigorated the armory through the hard work – and minimal cost – of volunteers and a significant amount of donated goods has made the Newburgh Armory a model armory.

Chairman Armistead asks Mr. Dowd to explain the proposed resolution with regard to the Armory. Although a resolution is not prepared yet, Mr. Dowd explains that the Board will vote to amend the previous resolution with regard to their annual payments. The original resolution provided that the Armory would receive funds at the rate of \$100K per year. The amendment permits the project expenditure to exceed \$100K per year, still up to \$500K total, provided such expenditures are in furtherance of the goals and objectives stated in the original resolution and are conditioned upon the remaining terms and conditions set forth in the original resolution.

Motion made by VanLeeuwen, seconded by Vernon. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman Armistead also notes that he spoke with Don Green will deliver a full report about the Advanced Manufacturing program next month.

Mount Saint Mary College – Project Expenditure Request

Mr. Petro begins by advising the room that he believes the IDA may be in a position to make a difference in the college's plan to expand their business program in the Dominican Center. He introduces Father Mackin, Mr. Weiss, Mr. Ramo and Mr. Valenti.

Father Mackin distributes packets detailing the project to each of the Board Members. He begins by stating that he knows the IDA's mission is to promote economic development. He believes that MSMC has an excellent opportunity for economic development in this region. The goal of the project is to expand the business program into a nationally accredited program to prepare a skilled work force which will attract, among other businesses, high-tech, advanced technology. Father Mackin notes that MSMC is working out a partnership with Mr. Cozzolino, as well as with SUNY IT. The Dominican Center, and the currently library, would be transformed into state-of-the-art facilities. He notes that the project will create over 200 construction jobs and add 10 full time positions to their existing workforce of 570. The course offerings will increase local abilities in the high tech fields, and will benefit local businesses by providing internships to small businesses and provide non-profit groups with a facility for research. The goal of the business center is to prepare students for a global economy. MSMC is the only MBA-granting institution in Orange County.

He goes on to deliver government statistics that explain that MSMC contributes annually \$125M to the region in institutional spending, \$22M per year in student/visitor spending and \$200K in payments to the City of Newburgh. He goes on to detail the many ways MSMC serves the Newburgh community.

Father Mackin advises that they are making a project expenditure request in the amount of \$1,050,000 over three years so that MSMC can expand their business program by renovating the Dominican Center, which will provide jobs and

opportunities for the area. They are preparing a skilled workforce for all region businesses, and moving forward with the Center for Global Advanced Technology.

He introduces Senator Larkin, who believes that MSMC is the core for young people in the area. Young people can get their education and degrees right here in the Hudson Valley, and they can take those degrees and contribute to the local economy. He believes that this project is something to be proud of, and is something that we can do for the future of the area.

[Mr. VanLeeuwen exits]

Father Mackin emphasizes that the goal is to promote economic development through their Center for Global Advanced Manufacturing. The facility already exists on campus, but they will expand it. He introduces Mr. Cozzolino, who offers his support of the project. He adds that he has been part of the council that has put forward the advanced manufacturing initiative. SUNY IT college helped to facilitate the technical side of the program, while MSMC has been able to offer support of the business and administration services, helping existing and future manufacturing companies run successful businesses. There will be a conference in September – the 2nd Annual Hudson Valley Manufacturing Conference – with 250 manufacturers planning to attend.

Chairman Armistead advises that the project will be referred to the Governance Committee.

Mr. Steinberg asks if this program competes with the CNC Program with OCCC. Mr. Cozzolino advises that OCCC is a partner to this project.

Mr. Dowd suggests a motion to accept the application and to refer the project to the Governance Committee for further review. Motion made by Vernon, seconded by Schreibeis. Affirmative votes of all members present results in motion carried.

Mr. O'Donnell advises that the representative for the Orange County Triathlon will join October's meeting.

Mr. Brescia makes a motion to enter executive session pursuant to the section 105(1)(f) of the open meetings law to discuss the medical, financial, credit or employment history of an individual. Motion seconded by Steinberg. All in favor.

Executive Session

The members discussed personnel matters relative to the operations of the Orange County Business Accelerator.

End of Executive Session

Motion to close Executive Session made by Ms. Rogulski, seconded by Schreibeis. All in favor. No action taken in Executive Session.

Such other and further business

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Ms. Rogulski, seconded by Schreibeis, the time being 4:45p.m.