

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

January 18, 2012

A regular meeting of the Orange County Industrial Development Agency was convened in public session on January 18, 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, Hank VanLeeuwen

ABSENT: Mary Ellen Rogulski

ALSO PRESENT: 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
Gary Cassiello – Judelson, Giordano & Siegel
Robert Unger – Judelson, Giordano & Siegel
Mike Oates – HVEDC
Maria Bruni – City of Middletown
Mayor DeStefano – City of Middletown
Nelson Page – Majestic Star Entertainment/Paramount Theatre
Gary Drumbella – Carlisle Construction
Tom Timmerman – Carlisle Construction
Dominic Cordisco – All Granite & Marble Corp
Robert Deja – All Granite & Marble Corp
James Walsh – Times Herald Record

Chairman, James Petro calls the meeting for the Orange County IDA, January 18, 2012 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior December 21, 2011 meeting minutes. Motion made by Schreibeis, seconded by VanLeeuwen 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 in the packet for December of 2011. Through the end of the year, we have income of \$1.6M and expenses of \$1.3M; revenues exceed expenses by \$267K for the year. Mr. Kleiman points out that these are

un-audited numbers, and the audited figures will be available by the end of March. He adds that upon completion of the audit, Judelson, Giordano & Siegel will present the audit to the entire Board.

Mr. Kleiman moves on to address the Schedule of Bank Accounts, Certificates of Deposit and Money Markets as of December 31. The balance as of 12/31/11 is \$7,715,733, and most of the money is in a money market account and one CD. 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 \$12.3K, and vouchers total \$203.8K. Mr. Armistead asks about vouchers for the Newburgh Armory, and Chairman Petro reminds the Board that the IDA is matching grants made by the Kaplan Foundation to the Newburgh Armory, in the amount of \$100K per year for five years, but the IDA is paying those funds directly to the vendors for the project. When the Armory has work done, the contractors submit vouchers to the IDA and the IDA pays them directly. Mr. Kleiman points out that Mrs. Villasuso has prepared a schedule providing the details of the expenses against the total amount. Chairman Petro also notes that any small amount (such as \$1,000) left over at the end of the year may be carried over to the following year.

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

Mr. Kleiman then advises the Board that an Audit Committee meeting was held before this regular meeting, and turns it over to the Audit Committee Chairman, Mr. Armistead. Mr. Armistead advises that he was introduced to the new auditing firm of Judelson, Giordano & Siegel, and discussed a number of the programs for the IDA and the Accelerator. The new audit firm will initiate an audit of the IBM fee, and also discussed the activities of OCBA and the IDA over the past year. The audit committee is entertaining the idea of retaining a CPA firm to do monthly write ups on financial activities as a whole for the IDA and Accelerator. Mr. Steinberg asks what the cost for a monthly report would be, and Mr. Armistead advises that the rough initial number was \$275 per month, but we are not yet sure what is needed from the firm, so Mr. Kleiman will be sitting down with the firm and deciding what services are and are not needed. The fee will change accordingly. Mr. Armistead notes that the Audit Committee is impressed with the new firm and is looking forward to working with them.

Chairman Petro introduces Mistery Cassiello and Unger from JGS to the room and welcomes them aboard. Mr. Armistead added that he was impressed with how quickly this firm has taken initiative and explored the IDA's accounts and options. Chairman Petro then mentions to Mr. Steinberg that the Board would like the Orange County Capital Development Corporation account to be closed, with the check made payable to the IDA. Mr. Steinberg advises that he will take care of it.

Reorganization Meeting

Petro advises that this is an "organizational meeting" and at this time, there must be an election of a chairman.

Chairman Petro requests a nomination, a second and then a roll call of the Board. Mr. VanLeeuwen nominates James Petro to continue his roll as Chairman for the OCIDA. This motion

is seconded by Brescia. No discussion. Mr. Philip Crotty takes the roll call. Affirmative votes of all members present resulted in motion carried. Mr. Petro is the Chairman for 2012.

Election of the Vice Chairman/Robert Armistead, Second Vice Chairman/Mary Ellen Rogulski, Secretary/Steve Brescia, and Assistant Secretary/John Steinberg. VanLeeuwen made a motion to accept all nominated appointees, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

IDA Chairman appointees are reviewed. There is no change from last year. Audit Committee remains: Armistead (Chairman), VanLeeuwen, and Rogulski, with Schreibeis as an alternate. Governance committee remains: Brescia (Chairman), Steinberg and Schreibeis, with Rogulski as an alternate. Mr Crotty takes roll call. Affirmative votes of all members present resulted in motion carried.

Executive Director resolution, appointing Mr. James O'Donnell, is read aloud. Motion made by Armistead, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Chief Financial Officer resolution, appointing Mr. Kleiman, is read aloud. Motion made by Steinberg, seconded by VanLeeuwen. Affirmative votes of all members present resulted in motion carried.

IDA Attorney resolution, appointing Mr. Crotty, is read aloud. Motion made by Schreibeis, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

IDA Contract Officer resolution, appointing Mr. Crotty, is read aloud. Motion made by Armistead, seconded by VanLeeuwen. Affirmative votes of all members present resulted in motion carried.

IDA Freedom of Information Law Officials, appointing Mr. O'Donnell as FOIL Officer and Mr. Crotty as FOIL Appeals Officer, is read aloud. Motion made by Armistead, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution approving Contracts for Orange County Business Accelerator Managing Director and Development Director, appointing DiTullo as Managing Director and Peter Gregory as Development Director, is read aloud. Motion made by Steinberg, seconded by Armistead. Affirmative votes of all members present resulted in motion carried.

Resolution to report IDA-Owned Properties as of 12/31/11, reporting that the IDA owns NO real property as of 12/31/11, is read aloud. Motion made by Armistead, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution to approve IDA Depositories for 2012 is read aloud. Motion made by Armistead, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution for Annual Review of IDA Procurement Policies & Practices in 2012 is read aloud. Motion made by Brescia, seconded by Steinberg. Affirmative votes of all members present resulted in motion carried.

Mr. Crotty and Chairman Petro reviews with the Board the final organizational resolutions with regard to monies that are paid out each year:

Orange County Services	\$ 15,000
Foreign Trade Zone	\$ 25,000
Newburgh – Stewart Empire Zone	\$ 5,000

Motion made by VanLeeuwen and seconded by Schreibeis to approve the resolutions as presented. Affirmative votes of all members present resulted in motion carried.

Resolution to authorize “Agent Status” for Orange County Partnership, Hudson valley Economic Development Corporation, Pattern for Progress, Hudson Valley Agri-Business and Rockland Economic Development Corporation (PTAC), and allowing the Executive Director to sign Agency Agreements, is read aloud. Motion made by Armistead, seconded by VanLeeuwen. Affirmative votes of all members present resulted in motion carried.

OCBA Report

Mr. DiTullo refers to the Orange County Business Accelerator’s pre-audited financial reports included in the packets. He points out that, in the “client rents” section, OCBA was over budget by about \$6K and other fees that were collected from clients with a total of roughly over \$10K over budget. He also notes that Orange County Business Accelerator has reimbursed the IDA \$105.3K, and will reimburse another \$35K for the last quarter of the year.

Mr. DiTullo moves on to note that there was a tremendous event at the accelerator with UVANY on 1/17, and notes that Mr. Gregory will go into further detail later. He also notes that the Accelerator has been in the process of having new photos taken for the makeover of the Accelerator website. Most of the website’s content will remain the same, but the images will be updated. Additionally, Orange County Business Accelerator has had 18 press accounts in various local publications, and the website continues to see increased traffic and subscribers. Also, there has been more activity on the website from foreign countries, which Mr. Steinberg finds particularly exciting.

Mr. DiTullo adds that he and Chairman Petro shared the podium at Leadership Orange, and invited the class to come back and have a fuller session regarding early-stage innovation and entrepreneurialism, which has been scheduled for February with fifteen in attendance.

Regarding clients, there are 20 in the Accelerator at the moment. One client is leaving at the end of the month, but will be immediately replaced with a new company. The company leaving is E-Guardian, who operates more out of NYC now than out of the Accelerator; under the terms of the rental contract, if there is not continued occupancy after a certain number of months, The Accelerator can ask them to leave. Chairman Petro adds the Accelerator doesn’t exist just to collect rent, that its goal is to create jobs and activity, and commends Mr. DiTullo for keeping track of the activity in the Accelerator and ensuring maximum benefit for all parties.

Mr. DiTullo turns it over to Mr. Gregory, who advises the Board that the Accelerator co-sponsored an Upstate Venture Associate of New York event with HVEDC. They arranged for 9 investors to visit the Accelerator to meet with 21 companies from all over New York State. Four Accelerator clients were within those 21 companies. Every company starting out, Mr. Gregory says, wants to speak with investors about raising capital; the structure of the Accelerator event was more casual than a pitch for capital; it was a fact-finding mission between investors and companies. Following the event at the Accelerator, they went to Homewood for another opportunity for companies to see alternate investors. Mr. Gregory was called by many investors who enjoyed the format and they will be using it again.

Chairman Petro asks Mr. Gregory to discuss the accolades he received in the speech by the emcee of yesterday's event. Mr. Gregory said that the emcee noted, to a room full of people from all over New York State, that the buzz in the Orange County Business Accelerator is better than anywhere, including Rochester and Buffalo, which are huge Incubator systems. Mr. Gregory adds that it was a great showcase for Orange County.

Chairman Petro then addresses Mr. DiTullo and asks him to prepare a report detailing Orange County Business Accelerator's expenditures as they relate to Focus Media. Mr. DiTullo notes that the marketing budget for the Accelerator was approved for \$100K, and all of the Orange County Business Accelerator's marketing is done through Focus Media. He also notes that the funds spent include marketing in the airport, Facebook, linkedin, etc.

OCP Report

Ms. Halahan begins by advising the Board that there has been a tremendous upswing in activity since the end of last year, with many projects finally coming to a close, and reviews the projects for the Board.

Brookfield Resource Management is a recycling plant for "end-of-life cars" and is the state of the art way to get rid of cars, because junk yards – a major environmental issue – need to be obsolete. The company has found an appropriately zoned property in the town of Wawayanda, and has held a few public hearings, where a few neighbors voiced their concerns. But Brookfield gave a nice presentation demonstrating what the property will look like, and illustrating the fact that the activity will take place indoors. There will be some truck activity on the roads, but it is a highly traveled area off of 84. It is a \$32.7M project, and they will meet with the IDA. Ms. Halahan notes that the project came in back in 2007 and has finally resurfaced and is going full steam ahead.

Project Shield is coming before the Board today, with Mike Oates giving overviews on it. But Ms. Halahan notes that it is a great area of the county, on the Hudson Valley Crossing site.

Camp LaGuardia will largely be housing, with 250K square feet for commercial use. OCP is working to make sure that the site is on the radar.

Project Gray is a foreign based, Italian company looking to bring their manufacturing operation to the US, their largest users being out of NYC and DC. They manufacture concrete tunnels, which they used to ship here but will now build here, and are focused on purchasing a site that they will build to suit. They are looking to build a 30-40K square foot space for manufacturing, with about 20 jobs, and a capital investment of about \$2M. They will visit with the IDA when the time is right.

There is a prohibition distillery moving into the city of Middletown, which is a niche vodka manufacturing company. There is an 11K square foot property in Middletown for this corn-based vodka company.

Ms. Halahan adds that a company they were lightly involved with is Liberty Collision Group, which purchased the old Monroe Ford property, and will create a Manheim Auto Auction type endeavor for West Point and military vehicles.

All Granite & Marble will also be coming in, and is a company that OCP met with in 2010 and then referred to Chairman Petro.

On the Business Retention and Expansion, Ms. Halahan highlights the following projects:

*Project 1213 – an existing Orange County manufacturing company that is growing and needs space. Currently, 32 people are employed, and the company's growth is a result of change in the building codes, and may be an IDA project.

*Empire Blue Cross Blue Shield – will stay in Orange County officially. The company was shopping for a new location, but after a very long negotiation period and some downsizing, 650 jobs were saved.

*Project Mustang – a manufacturing company on the eastern side of the county, and is a retention project. It appears that they will remain here and keep its high-end jobs.

*Centerline Studios – Their building was burned in a recent fire in Cornwall, NY. They are still hoping to expand and are waiting on some grant dollars.

Moving on, Ms. Halahan discusses marketing, and stresses how important marketing related expenses are to OCP. This is the first year that OCP will spend more in marketing than they bring in. They launched their site selector magazine campaign, and are working with Crain's and Wall Street Journal. Additionally, they are working on their direct mail campaign and have expanded their newsletter and will send it to a larger audience. The "Understanding Your Incentives" brochure has also been expanded and updated, and allows for an insert for ever-changing state incentives. This year, OCP will go to 6 trade shows, including 2 in California, and will bring all new marketing material with them to each event.

Lastly, Ms. Halahan advises that she just left an event with Ken Adams, the Commissioner for Empire State Development, who came to address the Alliance for Balanced Growth. Mr. Adams was discussing the Governor's idea to downsize government, and displayed a flow chart of what government looks like today – which Ms. Halahan shows to the room, displaying a multitude of blue boxes, with a few red boxes scattered throughout, each labeled for a different governmental agency – and noted that, years ago, government was only the red boxes. She then distributes a chart of her own which demonstrates that there is not an abundance of governmental offices in Orange County, and how the FTZ, EZ, OCP and IDA all work together.

She concludes by noting that our model in Orange County is successful and sought after by other counties and agencies because being a "public-private entity" works really well. She then thanks the IDA for their continued support.

Chairman's Report

Chairman Petro advises the Board that Meadowbrook Lodge is being purchased by Wayne Corts and a partner, who will build a convention center, a hotel, 3-par golf course and a catering facility. Mr. Corts planned on attending the meeting to present his plan to the Board, but was called out of town, so Chairman Petro presented a very preliminary report on their behalf. They would like to come before the IDA for benefits, and the project would most likely fall in the tourism section of the IDA scope.

Chairman Petro then introduces Dominic Cordisco, who has a client, Robert Deja of All Granite & Marble Corp, who is looking to develop their seventh site in Newburgh. The site, which they already own, is roughly 3.6 acres adjacent to the Pepsi building off of Exit 8 on 84. The site is going to be home to their proposed 33K square foot fabrication and retail operation. They are currently before the planning board and in the process of receiving the required variances. While they have completed a preliminary application, they have not yet paid an application fee or submitted a full application.

Currently, All Granite has six locations: Their main facility is Ridgefield Park, NJ, with other facilities in: South Plainfield, NJ, Danbury, CT, Deer Park, NY and Stroudsburg, PA and Binghamton, NY. They are in the process of adding a 20K square foot extension to the Ridgefield Park location, in March they will begin the construction of a 100K square foot warehouse in Stroudsburg, and this will be their third construction project this year. Mr. Deja plans to begin the Newburgh location with 15 employees.

The building will cost approximately \$5.5M, and they will look for a 10 year PILOT, sales tax and mortgage tax. Chairman Petro asks Mr. Deja if they utilize the CNC Machines, and is advised that not only do they use CNC machines, but they were among the first companies to implement the use of such machines.

Chairman Petro asks if there are any questions, and with none posed, he advises Misters Cordisco and Deja to complete the full application and submit the fee, and suggests that they meet Wayne Booth and get a letter of support for the project. Chairman Petro also advises All Granite that a public hearing will be necessary.

Paramount Theatre

Chairman Petro introduces Mayor DeStefano, who, on behalf of Middletown's Paramount Theatre, is seeing a \$150K grant over 3 years (\$50K for 3 years). Mr. Diana has met with the Mayor and endorses the grant, and Chairman Petro advises that the grant will go before the Governance committee as well as before the IDA Board.

Mayor DeStefano then introduces Ms. Bruni, director of Economic and Community Development in the City of Middletown, and Mr. Page, with Majestic Star Entertainment. Majestic Star Entertainment operates the theatre, but the City of Middletown owns and subsidizes the 1100-seat, historic theatre. The theatre generates downtown activity, and the city, up until recently, operated the theatre itself for live theatre and rentals and small conferences. Last year, the city of Middletown brought on Mr. Page, who operates theatres in Matamoras and Lafayette, and is looking at the Monroe theatre operation. He comes with experience in both film and live theatres. The city continues to be the owner of the theatre and will continue to subsidize and insure it; the city subsidizes up to \$50K/year in utilities, well as take care of any capital improvements necessary in order to keep the theatre open. Without the City, the theatre would close. The theatre itself promotes activity in the downtown area, and Mayor DeStefano notes that there is a marked increase in the town when a something is happening at the theatre. This past year, they had a draw of about 82K people, based on 42 events. The city is looking to draw even more activity, seven days a week, and is looking also to work with the schools. The city will front the money for the theatre and the IDA's monies will go to offset that debt. As it is now, Mr. Page operates the theatre and pays the City \$1 per year to do so. The City pays up to \$100K per year for operation-related expenses. Chairman Petro notes that IDA funds must be job or equipment specific.

Mayor DeStefano introduces Mr. Page, who informs the Board that they are looking to purchase a high end, digital projection system. Film is dead, he says, and in any major movie theatre, they project films digitally. Paramount Theatre is planning for its place in the marketplace, and in doing so, needs this equipment. Costing between \$140-150K, the system includes the screen, the digital sound, the monitor equipment, the speaker system and the installation. The funds they are asking for would cover the equipment only, as any programming costs go through Mr. Nelson. The idea is to bring people to Middletown and to the County in general. This year, they have doubled the amount of people who have visited the Paramount, and they would like to keep the upward momentum going through live and filmed programs, and are looking toward being competitive with

other small theatres. The events they hope to offer in the future include live simulcast opera programs, national and international sporting events and first run films. The first run films are important because, while they do not hope to become a first run theatre or compete with large Cineplex type theatres, they would like to supplement their slow times with first run films.

With the new equipment, they will have the largest digital setup in the region, with the largest screen in the county. It will enable diverse programming, including a county and state wide local film festival. Mr. Page runs a festival in Bergen County now, called Jersey Film Makers of Tomorrow, which gathers between three and four hundred submissions per year, and Mr. Page would like to begin that sort of process in Orange County. They would also like to create a county-wide tourism magnet through seminars, corporate meetings and an internationally recognized film festival at the theatre.

Chairman Petro asks if the funds would be used solely to purchase the projection system, and is advised that yes, that is the purpose of the funds. Chairman Petro suggests to the Board, and notes that it would be discussed at Governance before the next meeting, that it could be possible to offer the entire funds at once for the purchase. Mayor DeStefano notes that purchasing it from a vendor over 3 years would open them up to an interest charge. Chairman Petro suggests that the City could give the IDA the invoice and paperwork for the system, and the IDA would pay the vendor directly. Again, he notes that it would be discussed at Governance.

Mr. Armistead clarifies that the monies would cover professional installation, and Mr. Page confirms it. Mr. Armistead also asks if the enhancement will create more jobs at the Paramount. Mr. Page says that it would create about 10 to 12 jobs for box office coverage and so forth. Mayor DeStefano adds that, this year, the City has purchased adequate theatre parking for \$600K (which included a building) and built more parking next to the building, and the activity and growth of the City is following. Mr. Crotty asks if Paramount will compete with large, for-profit first run theatres, and Mr. Page advises him that they will not be competing with that kind of theatre at all.

Lastly, Mayor DeStefano notes that they would like the system in by June. Chairman Petro advises him that the Governance committee will look at both options – one payment of \$150K or 3 annual payments of \$50K – and advises them to submit an application.

New Hampton Fire District – CPV Article 78

Mr. Crotty reminds the Board that, as of the last meeting, Attorney Golden was authorized to do submit a redacted version of the Girasole report to the fire district, and the fire district denied it. Attorney Golden has since come to something of a tentative compromise with the fire district. Just today, Mr. Crotty advises, he received a letter from Mr. Golden, informing him that the fire district wishes to use the report to assist the fire district in its taxing effort. The compromise is to offer an un-redacted Girasole report, in the context of a strict confidentiality agreement, forbidding the release of the report, or any part of it, outside of the Fire District. Typically, Mr. Golden's letter continues, "such confidentiality agreements carry with them adverse monetary or other consequences to anyone violating the agreement." In Mr. Golden's opinion, releasing the full report within the confines of a confidentiality agreement would likely have no impact on the IDA's negotiations with CPV, and believes that the Fire District would not release the report.

Mr. Schreibeis asks Mr. Crotty to confirm that it is a fire *district*, not fire department. We can not release, Mr. Schreibeis says, this sort of information to a fire department. Mr. Crotty advises him that it is certainly a fire *district*.

Mr. Crotty's advice is to follow Mr. Golden's advice. Misterters VanLeeuwen and Armistead, along with the other members, agree.

Project Shield/Carlisle Construction

Ms. Halahan introduces Project Shield, beginning by noting that they came in last year, very interested in the Hudson Valley Crossing Site. She introduces Tom Timmerman and Gary Drumbella of Carlisle Construction, heretofore known as Project Shield. The project is in the building materials manufacturing and distribution industry, and is looking to create over 100 jobs (three shifts, 6-7 days a week) in Hamptonburgh, with a \$27M capital investment. Chairman Petro notes for the Board that the site already has a 485b tax exemption applied to it, however the client here today is interested in a different PILOT.

Mr. Timmerman of Carlisle Construction Materials corrects Ms. Halahan and advises the room at the capital investment is roughly \$35M, and the job total is about 90. They are not seeking a mortgage tax abatement, but are seeking a sales tax abatement, and an 11 year PILOT. Mr. Oates notes that Carlisle has been working really closely with Mr. O'Donnell, and all parties are excited for the future of the project.

Mr. Timmerman then gives a brief background of Carlisle Construction Company. He begins by noting that their parent company is Carlisle Companies Inc., traded on the NYSE (symbol CSL). They are a holding company of manufacturing companies, with five divisions. Mr. Timmerman represents the construction materials division. This project is a replacement for a plant currently in Kingston. Carlisle is leasing that facility, and has been for 14 years, but the lease is up next spring. They have looked at neighboring states and other sites within the area. They must be in this corridor to serve their market. Their product is Polyisocyanurate, or Polyiso, a rigid foam insulation, primarily used in industrial and commercial roofing, for spaces like malls, hospitals, schools, etc.

The building is about 350K square feet, and the site itself is 30-35 acres. They will employ 70-75 people initially, and then increase to 90. Mr. Timmerman displays a collection of photos for the Board, which illustrates other Carlisle sites around the country. Carlisle Construction Materials is about \$1.5B in annual sales, and the overall corporation is roughly \$3B in annual sales for 2011. Of the plants currently in operation, they have 6 polyiso plants (and are in the process of building a 7th), 4 Membrane plants, and 8 plants in the EPS business, which most recognize as Styrofoam.

The plan for this facility is for it to be large enough to house both polyiso and EPS operations. They don't have board approval at this time for EPS manufacturing, but they would like to build the plant large enough to justify that process and begin EPS manufacturing in the near future. The intent for construction is to put it out for bid, and while the best bid will win, they would like to use as much local labor as possible. In general, he prefers local. Chairman Petro notes that, having County benefits, they will need to ensure county labor is being used. Chairman Petro then asks if they're planning to utilize the rail head at the site. Mr. Timmerman advises that rail access is very important to the company, as most of their raw material comes in by rail and is shipped out by flatbed trucks. Chairman Petro asks if they plan on purchasing the portion of the site they will utilize, and Mr. Timmerman's response is "Absolutely." Chairman Petro then informs Mr. Timmerman that the IDA would need a letter from support from the Town Supervisor, and will also need to hold a public hearing.

Mr. Steinberg asks if there are any odors associated with production, and Mr. Timmerman advises him that there is a dust component to production, but there is also a dust collector in the building. Any fumes or odors are filtered to a thermal oxidizer that burns off any emissions present. They will

have an air permit for the project. They would like to break ground within 60 to 90 days, allowing for proper permitting, etc. Mr. Timmerman also points out that the bulk of the building is storage, with only 20% of the space for actual manufacturing.

Chairman Petro advises Mr. Timmerman to forward the application check and the public hearing will be scheduled as soon as possible. Mr. Crotty also points out that a majority of the land will still be usable, and Mr. Drumbella adds that they would like to make the 133 acres it available by subdivision.

Hudson Valley Food & Beverage Alliance

Mr. Oates advises the room that the Hudson Valley Food & Beverage Alliance was founded to support the food and beverage industry in the Hudson Valley. Food and Beverage, as a targeted industry has a unique opportunity to align with other key industries: hospitality, tourism, educational industries – such as the Culinary Institute. The key function of the HVFBA would be to support the industry, attract new companies, and link suppliers to each other throughout the region. Additionally, they would like to create and support business friendly policies on the state and federal levels. He offers Pepsi as an example, which was on the verge of moving out of New York, due to the soda tax that Governor Patterson had proposed, along with the Bigger Better Bottle which increased operation costs by about \$60M, while the incentive to keep them here was only \$4M. As a coalition of companies, HVFBA will advocate and work to keep companies in NYS. They will also identify grant opportunities, and open opportunities for farmers. Mr. Oates offers Continental Organics as an example, hoping to take a company like that and open as many avenues as possible for them. He goes on to note that workforce training is another important facet to the program, where HVFBA can work to partner workforce with colleges, to keep training in the state and on local campuses, rather than sending the workforce elsewhere. Mr. Oates adds that programs like this are in place, and have proven successful, in their Bio Hud Valley program, and they will employ the same initiatives with HVFBA.

HVFBA will market key businesses and regional assets; there are enormous opportunities to promote the Hudson Valley cluster of businesses both locally and regionally. They will also work with long term strategic planning, to ensure that the food and beverage sector is a critical cluster within the Governor's five year plan.

Mr. Oates has also discussed with Mr. O'Donnell going after the Consolidated Funding Application to look at ways to create an off-shoot of the Accelerator in other parts of Orange County that are specifically focused on the food and beverage industry.

Currently, there is a wide variety of growing companies within the Hudson Valley. Continental Organics, Hudson Valley Brewery and a hospitality company have all come aboard, among others, as founding members of HVFBA. Additionally, HVFBA will partner with the Culinary Institute.

Mr. Oates invites the members to HVFBA's upcoming Roundtable Event on February 2nd at the Culinary Institute. He advises that Senator Schumer will be involved, County Executive Molinaro will be welcoming people, and Ken Adams from Empire State Development will be joining the kickoff. Right out of the gate, Mr. Oates says, elected officials believe in the value of the cluster. There is a cross-section of companies attending, mixing major corporations and small companies, with a large focus on business-to-business networking.

Mr. Oates notes that the discussions about HVFBA began when he and Mr. O'Donnell toured a local company, Café Spice. When asked about their future development plans, Café Spice

mentioned that they would like to use more organic vegetables, and were thinking about building a greenhouse in order to provide their own produce. Mr. Oates thought immediately of Continental Organics, and mentioned to Café Spice that Continental Organics does exactly that – produce organic vegetables – and they're just down the road. Mr. Oates is now introducing the companies to each other, with the hopes of partnering the businesses in a mutually beneficial situation: Continental Organics gets a customer, and Café Spice doesn't have to spend money on building a greenhouse, freeing those funds for another part of their business. In addition to uncovering a potential partnership with Continental Organics, Mr. Oates recognized other opportunities within Orange County: Café Spice could entertain a bid for their packaging from President Container, they could source their need for bulk onions from local growers who are struggling. He adds that businesses like this are focusing on growing, and don't have the time to find ways to both lower costs and keep business local. That, Mr. Oates concludes, is what the Hudson Valley Food and Beverage Alliance will do.

Mr. Oates then shows the Board a short video about HVFBA.

Advanced Manufacturing Update

Mr. Crotty advises the Board that Don Green from SUNY is arranging focus groups, as suggested by Mr. Armistead, and is engaging a facilitator to get the groups here. There will be at least two groups, possibly with several sessions each, and the focus groups will help clear up exactly how much CNC training will be necessary, how much remediation will be needed and so forth. The program will most likely start in February.

Mr. Crotty advises that he and Mr. Green have had one meeting, already, with the distributor and interested parties, and have another meeting with a different distributor and stake holders tomorrow. To start, they are aiming toward a certificate program out of SUNY. They hope the certificate will be a stackable, meaning it could be used towards an Associate Degree. The big question remaining is where they should put the CNC/Advanced Manufacturing training facility. He advises there will be more information at next month's meeting.

Chairman Petro notes that Mr. Deja from All Granite mentioned that his company uses CNC, and that more and more companies are employing the technology.

Such Other and Future Business

Mr. Armistead mentions to the Board that we will be approached by Newburgh Mayor Judy Kennedy on an initiative to create jobs and help businesses grow and expand within, as well as relocate to, the city of Newburgh. They are trying to create a database for the real estate in the city, and would like to revitalize the city. Mr. Armistead advises the Board that Newburgh will want to tap the resources of the IDA's economic development. The name of the program is The Jobs Accelerator Advisory Group, with a federal grant entitled "Jobs and Innovation Accelerator Grant" in the amount of \$2M. He advises that he will keep the Board posted as the program continues.

Meeting called for adjournment by Chairman Petro, seconded by VanLeeuwen, the time being 6:15 p.m.