

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

October 17, 2012

A regular meeting of the Orange County Industrial Development Agency was convened in public session on October 17, 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 Chairman, Robert Armistead, and upon roll being called, the following were:

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

ABSENT: Robert Schreibeis

ALSO PRESENT: James O'Donnell – Executive Director
Kevin Dowd – Attorney
Laurie Villasuso – Administrative Assistant
Maureen Halahan – Orange County Partnership
Mike Oates – HVEDC/OCBA
Jeff Vizethann – Orange County Triathlon
Neal Wilkinson – Orange County Triathlon
James Walsh – Times Herald Record
Bill Madden – Focus Media
Josh Sommers – Focus Media
John D'Ambrosio – Orange County Chamber
Jimmy Smith – Orange County Chamber
Gary Drumheller – Hudson Valley Crossing

Chairman Armistead calls the meeting for the Orange County IDA, October 17, 2012 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior September 19, 2012 meeting minutes. Motion made by VanLeeuwen, seconded by Rogulski to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman asks the members to refer to the monthly income and expense summary. He explains some changes to the report; the Millennium payment has been moved from the IDA to the OCFC, and the Accelerator revenue received by the IDA has changed because the funds have been reapportioned to specific accounts, and lastly, the payments in the "Legal" account were much higher in September as Mr. Crotty was paid for his final two months, and Mr. Dowd was paid for his initial two months with the IDA. The overlap in their vouchers created higher than usual Legal expenses for the month.

Year to date, through the end of September, the IDA has taken in \$2.3M, and the expenses were just over \$900K, and revenues exceed expenses by \$1.4M, a lot of which, he reminds the Board, is attributed to the IBM payments. Calling attention to the schedule of bank accounts and investments, he advises that the IDA has 2 CDs which total \$3.7M, the checking account and MM accounts total \$4.4M and the OCFC account holds \$133K. He then addresses the monthly vouchers and receipts, noting that Paramount Theater and HVADC were added to the monthly voucher list, and two checks totaling \$175K from IBM have been deposited this month. The Board discusses the IBM audit and the recent checks received from IBM. Chairman Armistead notes that a lot of the money was a reflection of some major capital improvements at the Sterling Forest site.

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

Ms. Rogulski suggests that the Board Members do not need to receive all supporting documentation for the vouchers in their packets. Mr. Steinberg mentions that he agrees, Chairman Armistead confirms that all the Board needs is the summary report, and it is decided that Ms. Villasuso will bring the documentation to the meetings should any questions arise. Mr. O'Donnell reminds the room that the process for voucher submission – and backup documentation – remains the same. The Members agree.

Mr. Kleiman takes a moment to address the annual IDA audit, and notes that JGS will be visiting the offices of the IDA and the Accelerator, doing the preliminary work for the first three quarters of the year, which will expedite the audit when they return in January.

Turning his attention to the 2013 Budgets for the IDA and the OCFC, Mr. Kleiman distributes copies of the budgets and notes that they have already been reviewed by the audit committee. He advises that revenues exceed expenditures by \$303K in the IDA budget, and comments that while budgets normally balance, the IDA has excess revenues. He reviews the details of the budget with the Members, and advises that the budget will be posted on the website. During the review, Mr. Vernon asks if Mr. Oates has reviewed the Accelerator budget, and Mr. Oates advises that he has. Mr. O'Donnell suggests that the \$70K amount the Accelerator pays to HVEDC should be adjusted to \$72K so that it becomes a monthly check of a flat \$6K. The Members agree. Mr. Kleiman then explains the OCFC budget to the Members. During review of the OCFC, Mr. Vernon asks if the Micro-Loan Fund will end up coming out of the OCFC, and Chairman Armistead advises him that, while there is a gray-area which is requiring some research on the part of Mr. Dowd and Mr. Gaenzle, the Micro-Loan fund will eventually come out of the Funding Corp funds. Mr. Dowd adds that two potential bond closings this year through the Funding Corporation could bring in significant fees, which would be usable for the Micro-Loan Fund.

Motion made by VanLeeuwen, seconded by Steinberg, to accept the 2013 budget as submitted, with modification to adjust the HVEDC annual payment to \$72K. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Kleiman notes that, now that the budget has been approved, the Budget will be filed with the comptroller's and ABO offices by the end of the month. Once received, the IDA is in compliance with the 2013 Budget.

Chairman's Report

Chairman Armistead notes that the November meeting will be moved to the 14th of November. The members take no issue with moving the date. It is also discussed that Governance Committee and OCFC meetings will be held on that date.

He also notes that he attended an OCP meeting, and is encouraged by what is happening in the county at this time. He also advises that the IDA is moving forward with new management for the Accelerator. HVEDC is now managing the Accelerator.

Executive Director Report

Mr. O'Donnell begins by advising that the public hearing for CRH III in Monroe has been held and went very well.

With regard to the FTZ, Mr. O'Donnell visited Novartis Pharmaceuticals who will be entering FTZ#37. They border Orange County in Suffern, and have a number of Orange County residents as employees. They do \$10B in sales.

He met with the Arts Council and a few members of the film industry in Orange County, and there is interest in forming an Orange County Film Commission. They are interested in the money the IDA has provided to the Hudson Valley Film Commission. He also met with local bakery business owner, who is looking to expand his business. Mr. O'Donnell has put the business owner in touch with Mr. Gaenzle and has also been discussing a few available properties.

Project Green will be discussed on a conference call today. The state labor department came to discuss the project earlier in October, and Mr. O'Donnell notes that it's moving quickly. The project will have 373 jobs and will entail a \$60M investment in their 460K square foot food distribution project.

Hudson Valley Crossing recently put an application in to get the site ready for their next project, and assist in the entrance for Carlisle's site. Mr. Drumheller notes that it is for infrastructure work with public sewer and water, the major roadway into the site, the utilities and will be servicing both Carlisle and the future building on the site. He adds that Carlisle's construction is moving along and the structures should be enclosed within the coming weeks.

Mr. O'Donnell advises that the IDA received a check for \$100K from Millennium, outside of their regular annual payment of \$108K.

Mr. O'Donnell will also discuss the fee structure for the OCFC to make sure it's line with other IDAs in the state. There are two bond applications pending at this time – Walkill assisted living and MSMC who is looking for \$60M.

Lastly, Mr. O'Donnell addresses the change in management of the Accelerator. Mr. Oates and HVEDC will be managing director of the Accelerator. Mr. O'Donnell wishes to make it clear that nothing at the Accelerator is changing except for the management. He introduces Mr. D'Ambrosio, adding that there will be a nice synergy with the Chamber and the Accelerator, where the Chamber will take over some of the training for new businesses. He notes that Ms. Halahan and OCP will continue to be the lead on real estate matters, and will continue to market Orange County.

OCBA Report

Mr. Oates begins by advising the room that he and his team are excited to work with the IDA and Orange County. He offers a presentation discussing his plans for the Accelerator. He looks to attract new businesses to grow in Orange County, and provide educational and support services designed to increase their chances of succeeding. He hopes to move new businesses into the Orange County business community as soon as possible.

Mr. Oates plans to partner with the Orange County Chamber for networking and training purposes, and aims to create educational partnerships with OCCC, MSMC and West Point. They also plan to partner with local businesses and corporations to provide mentoring. HVEDC is partnering with Focus Media for marketing, with plans to use social media, radio and print ads, movie theatre stills, billboards and videos to encourage interest in the Accelerator.

He goes on to explain the partnership between the Orange County Chamber and Orange County Partnership, and how it can benefit future and current OCBA clients. He also discusses the Entrepreneurial Assistance Program and Mini MBA programs that may be offered in the future. He notes that there will be a Business Challenge, where businesses can enter to earn Accelerator space for one year for the cost of \$1. To offset the cost, they will enlist corporate sponsors. He notes that food and beverage, veteran-owned and innovative technology companies will be the Accelerator's main focus.

He mentions a partnership with Central Hudson, who will offer funding for equipment or build-out of the Accelerator, possibly for future food and beverage lab space. Additionally, the Ellenbogen group will assist the Accelerator clients with production of videos for business analysis and social media purposes. He also notes a partnership with Choice Words, a full service grant writing and communications firm, who can assist clients in the grant research and writing process.

Mr. Sommers advises the room of Focus Media's plan for the Accelerator, and plays a preliminary recording of a radio spot the marketing team plans to air.

Mr. O'Donnell thanks the new OCBA team, and notes that the OCBA management will still report to the IDA board and work with the County's office of Economic Development.

Mr. Dowd reads the resolution approving Hudson Valley Economic Development Corporation as Managing Director of the Orange County Accelerator aloud. Motion made by Vernon, seconded by Rogulski. Open for discussion. Affirmative votes of all members present resulted in motion carried.

OCP Report

Ms. Halahan begins by noting that Project Green is an exciting project and she hopes that today's conference call helps to move it along.

Project Gypsum, the data center which targets the Mid-Orange Correctional Facility, has been moving forward. With regard to the Mid-Orange Correctional facility, the town of Warwick has been negotiating with the state of New York and has signed the Memorandum of Understanding to proceed to move forward with the purchase of the site. The data center would like a portion of that property, and would promise fifty high-paying full time jobs, and they are still working with the utility company in the area.

With regard to the FAA, Nan Hayworth's office sent a group of representatives on her transportation team to tour the Port Authority site. Decisions are still not made on the satellite facility. A firm was hired to study the best location for the facility, and according to OCP's research, Orange County is ahead of the curve.

With regard to Business Retention and Expansion, two new manufacturing clients were interested in purchasing a 40-55K square foot building. There were some site tours last week. There is also a food manufacturing plant planning a 50K square foot expansion, which is up for site approval now.

The Village of Goshen site is ready, and is 53 acres within the village and commercially zoned. The Village is asking for active promotion of the site.

Addressing OCP's marketing, they have designed a Property of the Week campaign and the properties have been sent to site selectors and brokers. Average time and visits to the website were up this month. Ms. Halahan notes that there have been a number of trade shows in the past few weeks. She adds that the SIOR LA trade show is fast approaching, and OCP will be attending the event.

CNC – Advanced Manufacturing Program Update

Mr. Green distributes reports of the findings from the recent CNC forums facilitated by the college. He highlights some of the findings for the Board. Chairman Armistead adds that many important employers in the area attended the forums, and were happy to offer their input about what their needs are.

Mr. Green explains that the original project has morphed into a regional effort, connected to other initiatives. There are federal and state grant dollars that have become available, most of which have been offered to SUNY as part of the overall initiative. The funds, Mr. Green explains, weren't originally expected.

Despite the information that they already have, SUNY believes they need more data. People at the college, he says, want to know how many jobs will be needed, and how many employers will be able to guarantee jobs. He also says that he needs commitments from manufacturers and acknowledgement of their partnership in the project. There will be more outreach and possibly more conferences and forums to gather more information. The additional forums will be National Career Readiness, Machinist, certifications, CNC, foundations skills, workplace math, blueprint reading and reading fundamentals.

Chairman Armistead communicates the Members' frustration that the project has been taking quite a long time. Mr. O'Donnell echoes the sentiment, and references a community college in MN that offers a 10 week certification process. He suggests that perhaps the IDA should entertain alternatives for getting the initiative off the ground, because unemployment numbers are still high and we can't keep waiting for the progress to be made.

Orange County Triathlon

Misters Wilkinson and Vizethann, organizers of the Orange County Triathlon, advise the Board that they have been on a four year mission to bring a world-class sporting event to Orange County. As residents of the County, they wanted to make an impact on the county and found that a triathlon was a perfect event to bring to Orange County. Triathletes spend an average of \$40M over the last year on triathlons. After extensive research, they found that Newburgh would be great match for the event because of the Hudson River. Mr. Kaplan and Senator Larkin have embraced the event. They have held two events already, and look to double this year's 8,000 attendees. Their request is for the IDA to assist in maintaining the triathlon, and maintain other events. They have already brought roughly \$800K into the county, between hotels, rental cars, restaurants, etc.

Mr. Vizethann notes that the triathlon always draws participants from around the country, and this year they are partnering with West Point and the YMCA of Middletown to do a triple crown series. The Orange County Triathlon will be in July, West Point's will be in August, and the YMCA's will be in September. They are also working with MSMC to develop a training program. MSMC is working with Team in Training, the Lukemia and Lymphoma benefit group, and they will help participants new to the sport train to compete. Discovery Channel is also looking to get involved.

Mr. Wilkinson also mentions that they've partnered with the Newburgh Armory and with Woodbury Commons, hoping to inspire purchasing and economic impact in our region.

Their request is for \$25K per year over four years. Their plans bring not only triathlons, but also indoor soccer and community sporting events. They are advised that the Governance committee will need to discuss the application

before it goes further. Mr. Vernon asks if Orange County Triathlon is a for-profit company, and Mr. Wilkinson advises that they are a for-profit company.

CRH Realty III, LLC – Final Resolution

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

Hudson Valley Crossing, LLC – Initial Resolution

Mr. Dowd reads the Hudson Valley Crossing, LLC initial resolution aloud. Motion made by VanLeeuwen, seconded by Rogulski. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business

With no further business, meeting called for adjournment by Chairman Armistead, motion made by VanLeeuwen, seconded by Steinberg, the time being 4:35p.m.