

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

December 5, 2012

A regular meeting of the Orange County Industrial Development Agency was convened in public session on December 5, 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, Robert Armistead, and upon roll being called, the following were:

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

ABSENT: Henry VanLeeuwen

ALSO PRESENT: James O'Donnell – Executive Director
Kevin Dowd – Attorney
Laurie Villasuso – Administrative Assistant
Joel Kleiman – CFO
Maureen Halahan – Orange County Partnership
Bill Madden – Focus Media
Brian Gates – HVEDC
Gina Domenico – HVEDC
James Walsh – Times Herald Record
Dave Doonan – Times Herald Record
Peter Malone – OCBA
Mike Finnegan – Continental Organics
James Petro – Town of New Windsor

Chairman Armistead calls the meeting for the Orange County IDA, December 5, 2012 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior October 17, 2012 meeting minutes. Motion made by Brescia, seconded by Schreibeis 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 vouchers, and distributes an updated list which includes an invoice from JGS for their work so far on the IBM audit. In total, the IDA has taken in \$188,193.50. Part of that income was an additional payment from Millennium, and two closing fees. The payments this month total \$385,924.79. He reminds the Board that they requested to no longer receive backup in their packets, but notes that Ms. Villasuso has all of the details.

He notes that the OCFC, whose meeting will commence immediately after the IDA meeting, will be voting on payment for attorney services.

Mr. Kleiman asks the Board to refer to the Income and Expense schedule. To date, we have received \$2.5M in revenue, and have expenses of just over \$1.1M. Revenues exceed expenses by just over \$1.5M. This does not include \$386K of invoices that were just approved. He does anticipate that revenues will exceed expenses for the year of 2012.

Asking the members to turn to the summary of the IDA bank accounts, he notes that one CD is due 12-19. He will solicit each approved bank for a CD or MM rate. He does not anticipate high rates. Mr. Vernon asks Mr. Dowd if he is absolutely certain that the IDA cannot invest in State instruments. Mr. Dowd confirms that we cannot. Ms. Rogulski adds that there are stricter regulations for financial institution when it comes to IDA funds.

Mr. Kleiman also notes that the auditors will visit the IDA and OCBA offices in late January/early February to complete the 2012 audit. It is noted that JGS is auditing the IDA for only the second time.

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

Executive Director Report

Mr. O'Donnell begins by advising that he met with Mr. DiTullo in Rockland County with regard to a few FTZ companies on the border of Rockland and Orange Counties.

The public hearing for Hudson Valley Crossings took place on Nov 20th, and there were no issues. Mr. O'Donnell also had a meeting with the Hudson Valley Film Commission. He advises that there is a group in Orange County looking to start their own Orange County Film Commission. Mr. O'Donnell notes that the Orange County Film Commission would not have any detrimental effect on HVFC. Mr. O'Donnell also spoke to Goshen Rotary and gave them an update on IDA activities and Economic Development within the county.

In addition, there Crystal Run Healthcare's ribbon cutting in Warwick was well-attended. While the IDA did the Wallkill and Monroe projects, CRH was happy to open and expand a new business without asking for any benefits.

Misters O'Donnell and Oates met with Satin Fine Foods, and in addition, Mr. Oates is coordinating companies looking for investors with possible capital investments.

Project Green is moving ahead, and there have been many meetings and emails over the course of the month with regard to its progress.

Also, he had a contingency from China, the city of Yiwu, visited the County Executive. This is the third meeting they've had. They were looking at the former Warwick prison, among a few other companies for possible investment/ownership.

There was also a ribbon cutting upstairs with Docuware. The County Executive was able to save over 40 jobs in the county. The VP flew over from their headquarters in Germany, and noted how wonderful it was to be able to get on a plane in Germany, land in Stewart, and walk up the hill to his headquarters here.

OCBA Report

Mr. Gates begins by introducing Bill Madden from Focus Media to discuss the Business Challenge. Mr. Madden reminds the members that the message of the contest is a one year lease for just one dollar, giving the Accelerator tremendous exposure across the region. There are several different platforms being used: The print campaign was launched on November 16th, and is a half-page ad in THR running every Thursday for six weeks. The radio spot is currently running on three stations. The theatre ad is animated and shows in two movie houses on 28 screens. He also notes that the text message function has been added. Lastly, the diner placemat, which focuses on popular diners outside of the immediate area in order to reach new prospects, is in Wilton, Newtown and Hartford CT and Ramsey NJ, with a total of 285K placemats. Mr. Gates adds that they have about five business plans under consideration right now, and the winners will be announced the end of February.

Mr. Gates notes that he and Mr. Malone have met with all six current full-time clients; they have been told about the direction of the Accelerator, asked about their needs, and apprised of the resources available to them. In addition, there are two new clients in the building: Choice Words, experts in grant-writing and business plans. They are available to the clients every Wednesday from 10-4pm. The other new client is the Ellenbogen Creative Media. They are a film and television production company and are available to produce film and videos for the clients to use in their business. He plays a video Ellenbogen produced for Continental Organics.

Mr. Gates notes that Accelerator events will now be held with the Orange County Chamber, with some events still occurring at the Accelerator. He reports that the Accelerator's followers on LinkedIn and Facebook have increased. Mr. Malone adds that Accelerator space is being advertised on 10 different websites, including Craigslist and The Joint Services Academies. He is searching for additional relevant websites. The Accelerator would be listed under "office space" on the websites.

There have been some changes to the Associate Client program. The four current associate clients will be grandfathered in, but there has been a change in direction. He distributes a handout of the Associate Member Benefits. To get the word out, Mr. Malone has visited about 14 mayors and supervisors to discuss the Accelerator. He has also been making presentations to Rotaries and Lion's clubs, as well as B&I groups, with the goal of keeping the word out there.

Ms. Domenico has been tasked with finding ways to save the Accelerator money, and has uncovered a surplus in the communication and phone system. The Accelerator can switch to ITC – a local company based in Newburgh – and save roughly \$460 per month. Mr. Vernon notes that the phone system change is within the budget, and suggests that switching companies to save like this is a management decision and would not have to come before the Board. The Members agree.

OCP Report

Chairman Armistead congratulates Ms. Halahan on the successful OCP event.

Ms. Halahan updates the Board on OCP's many trade show visits, and reports on a number of leads that have come from a recent trade show. One is a Chicago based company looking for 50-100 acres for build-to-suit distribution. The other lead is for 100+ acres for a distribution site that would bring 300-350 jobs. They also hope to work with HVFBA with a start-up brewery.

*Project Gypsum – data center in Warwick Mid-Hudson Correctional Facility. The Town of Warwick expects the project to submit site plans.

*Project Rose – Manufacturing company currently based in Brooklyn, looking for a site in Newburgh and will employ 20 people.

*Project Car – WSJ Lead – training center in Harriman area will provide 10 jobs, after their zoning issues are resolved.

*Project Clean – interested in acquiring land to build a plant for organic material and waste processing. They process 40-50 tons of organic food waste a day to develop into mulch for fertilizer. OCP is working with HVEDC on the project. Capital Investment is \$30M, with 70 construction jobs and 15 full time jobs. They would like to get moving by 2nd Quarter of 2013.

The OCP pipeline is fuller going into 2013, and Ms. Halahan notes that they are actively speaking face to face with more people, not just brokers.

Wallkill Realty Partners Discussion

Mr. Dowd begins by reminding the Board that Wallkill Realty project is the 200-bed, 130-unit assisted living facility in the town of Wallkill. Back in 2011, the IDA authorized a PILOT – as well as MTE and STE – for the project. Wallkill is also seeking bonding from the OCFC with the hope of closing before the end of the year. The Bond Counsel asked that this Board reaffirm the 2011 resolution for the 10-year PILOT agreement.

Motion made by Steinberg, seconded by Vernon, that the Board reaffirms the 2011 resolution with regard to the 10 Year PILOT for Wallkill Realty Partners, LLC. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead thanks everyone for their cooperation in moving the meeting date. He also takes a moment to once again note that the Partnership dinner was a success.

Last week, Chairman Armistead and Mr. Vernon met with Don Green and a colleague from OCCC. The intent was to discuss the Board's reaction to OCCC's progress on Advanced Manufacturing, as presented at last month's meeting by Mr. Green. They provided a detailed breakdown on OCCC's forums, and noted that employment readiness and communication skills were needed. They also noted that there was not a huge need for CNC operators. OCCC will come to the Board with a plan of what they believe they can provide in terms of job creation/training.

There was, however, some question with regard to the CNC equipment that has already been received by OCCC. Mr. O'Donnell explains a little about the grant and the procurement of the CNC equipment.

Mr. O'Donnell goes on to note that MN has a 10 week program, and suggests partnering with MSMC for a possible certificate program. Mr. Vernon suggests diving deeper into the issue of the number positions available for CNC-

certified employees. Ms. Rogulski adds that, in her own experience, she has come across quite a few companies using the CNC Machines.

Chairman Armistead adds that in National Geographic, the Hudson Valley is listed as one of the top 20 places in the world to visit.

Ms. Rogulski adds that she's seen regions are investing in extremely high-speed communications and infrastructure, and suggested that it might be something the IDA would look into supporting. The infrastructure attracts data and technology companies, which are industries Ms. Rogulski sees more now than ever before.

Port Jervis Whitewater Park – Resolution to Extend

Mr. Dowd reads the aloud the resolution approving the extension of the project expenditure deadline for the Port Jervis Whitewater Park project to March 31, 2013. Motion made by Vernon, seconded by Steinberg. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Dowd advises that the members should enter Executive Session to discuss the credit or financial history of an individual or corporation. Motion made by Brescia, seconded by Rogulski. All in favor.

Executive Session

The members have a discussion.

End of Executive Session

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

Continental Organics – Resolution to Extend

Mr. Dowd reads the aloud the resolution approving the extension a short-term Note to Continental Organics to pay the balance thereof by March 31, 2013. Motion made by Brescia, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

Mr. Brescia reports that the Governance Committee concluded that the Mount Saint Mary project expenditure application will be approved, terms being \$225K over three years; \$75K per year. The college must focus the funds on the Business end of the college; Mr. O'Donnell explains that the full \$75K will be spent on the renovation of the library, turning it into the Business Center, and expanding the business program at the college.

Motion made by Brescia, seconded by Schreibeis, to authorize a three year, \$225K project expenditure to Mount Saint Mary College for the construction, renovation and equipping of facilities for the expansion of the college's business education program. Affirmative votes of all members present resulted in motion carried.

Mr. O'Donnell notes that the project expenditure request from Orange County Triathlon was sent back to him for further discussion with the applicant.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Brescia, seconded by Schreibeis, the time being 4:25p.m.