

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

June 16, 2010

A regular meeting of the Orange County Industrial Development Agency was convened in public session on June 16, 2010 at 3:00 P.M. at the Orange County Business Accelerator, New Windsor, New York

The meeting was called to order by the Chairman, James Petro, and upon roll being called, the following were

<u>PRESENT:</u>	James Petro, Stephen Brescia, Robert Schreibeis, Sr., Mary Ellen Rogulski, John Steinberg
<u>ABSENT:</u>	Robert Armistead, Henry Van Leeuwen
<u>ALSO PRESENT:</u>	James O'Donnell – Executive Director Edda Eller – Recording Secretary/Bookkeeper Joel Kleiman – Chief Financial Officer Phil Crotty – Attorney Michael DiTullo, Peter Gregory – Orange County Business Accelerator William Lahey – Orange County Legislature Katelynn Dougherty, Don Green, David Kohn – SUNY Orange Russell Vernon – BVM Meghan Taylor – Orange County Partnership Dominick Alfieri, David Hoovler – Deerpark Exchange Michael Novinson – Times Herald-Record

Chairman, James Petro asked for a motion to approve May 19, 2010 minutes. Mary Ellen Rogulski made a motion seconded by Stephen Brescia to approve minutes as presented. Affirmative votes of all members present resulted in motion carried.

Chief Financial Officer Joel Kleiman presented the May 2010 financials. He also handed out copies of schedule of investments and Certificate of Deposit sheet. He also pointed out that a CD with Orange County Trust matured, and out of eleven bids chose a money market with Orange County Trust, paying the highest interest rate of .75%. Received in May from President Container \$2,500 application fee and from Orange County Choppers \$5,000 application fee. Also presented were the following vouchers and payments: Philip Crotty \$6,802.99 legal fees for April 2010, Burke, Miele & Golden \$3,285 legal fees, Harris Beach \$3,000 legal fees for formation of OC Funding Corp., James O'Donnell \$683.56 for reimbursement of lodging at NYSED annual meeting. John Steinberg made a motion seconded by Robert Schreibeis to approve financials of May 2010 and also money market with Orange County Trust and vouchers for payment. Affirmative votes of all members present resulted in motion carried.

Recognized was Dominick Alfieri of Deerpark Exchange asking the IDA for a 10-year payment-in-lieu-of-taxes and mortgage and sales tax exemptions. James Petro said the project would require a "deviation letter" from the state, since the 24,000-square foot building would house primarily retail businesses. The Town of Deerpark Supervisor supports the deviation letter and the tax breaks. Dominick Alfieri said IDA assistance would benefit tenants by lowering their share of taxes. Since 80% of the building's occupancy is already lined up, James Petro would like to see a list of the prospective tenants. Mary Ellen Rogulski feels that the tax break is luring investors, not the person creating the jobs. James Petro stated that the IDA is looking at individual case by case in making a decision.

Presented was a Resolution of the Orange County IDA accepting the application of Alfieri Inc. with respect to a certain project, describing the forms of financial assistance being contemplated by the Agency with respect to such project, and authorizing a public hearing in compliance with the act. Stephen Brescia made a motion and seconded by Robert Schreibeis to approve Resolution as presented. Resolution carried with four ayes and one nay.

Chairman James Petro passed around a letter he received from Town of Chester Supervisor Steven Neuhaus where he expressed his support of the Resource Solution Services, Inc. potential project in their community. Also passed around was a letter from Assemblywoman Nancy Calhoun regarding the PILOT agreement granted by this IDA. James Petro also thanked the Orange County Partnership for the award being presented to the IDA.

Recognized was Michael Finnegan of Continental Organics giving another presentation of their planned Aquaponics Farming. The company plans to raise lettuce, tomatoes, cucumbers and fish on a 90-acre site in New Windsor. The service-disabled-veteran-owned business would provide all of its products to the U.S. Military Academy at West Point and the Hunts Point food distribution center. The construction would begin later this year, and Continental will begin operations in spring 2011. Over the next five

years, the company plans to spend \$39 million on construction and provide 188 construction-related jobs. They expect to create 116 permanent jobs by 2015, with veterans occupying at least half of the positions. They request a 15-year super-enhanced PILOT, \$7 million in tax-exempt bonds and property and sales tax exemption.

Presented was a Resolution accepting the application of Continental Organics, LLC with respect to a certain project, describing the forms of financial assistance being contemplated by the Orange County IDA with respect to such project and authorizing a public hearing with respect to such project. Stephen Brescia made a motion to approve Resolution as presented. John Steinberg seconded motion and affirmative votes of all members present resulted in motion carried.

Recognized was Don Green of Orange County Community College, handing out the Business Solutions & Professional Development gross revenue and IDA total budget draw-down. He also said the college plans to request an additional \$2.5 million from the IDA in about a year for further expansion if its business program. Katelyn Dougherty also mentioned the student internship provides opportunity to make decisions.

Presented was a Resolution authorizing \$54,620 grant to Orange County Community College for the Business Solutions Department for the purpose of putting together a comprehensive proposal for approximately \$2.5 million in grant funding for the College's Business Solutions and Professional Development Department. The Business Solutions Department has experienced tremendous growth during the past four years that was concededly made possible by the 2005 IDA grant of approximately \$555,000. The Governance Committee has reviewed the application and made a positive recommendation. The Orange County IDA supports Orange County Community College and the business purposes for which the grant is requested, determining such purpose to be in the interest of fostering economic development in Orange County. Therefore be it resolved that the Orange County IDA hereby authorizes a grant to Orange County Community College in the amount of \$54,620 on a one-time basis for the purpose of funding its application for a \$2.5 million grant to expand the programs of the College's Business Solutions and Professional Development Department and such grant shall be subject to the standard IDA grant agreement between parties.

John Steinberg informed members that he had a conversation with Steve Spiegel regarding Ondamed and establishing a threshold of ownership. The IDA is looking for one percent and having an exit policy.

Presented was a Resolution approving the request of Goshen Historic Track for a grant in the amount of \$30,000. The Goshen Historic Track is a not-for-profit corporation and is the birthplace of American Harness Racing, a National Historic Landmark, an active horse training facility, and a horse racing facility in June and July of each year. The Goshen Historic Track is located next to the Harness Racing Museum and Hall of Fame, which annually attracts thirty thousand tourists to Orange County, and whereas the corporation is in need of demolishing nineteen old horse stalls and building nineteen new ones, and also undertaking infrastructure work, with a total project cost of \$175,000, and other grants are being solicited, including \$50,000 from the NYS Horse Breeding and Development Fund; and whereas, the Historic Track contributes to economic development in Orange county in that it promotes harness racing as a sport, provides a venue for local horses to train and race, and will foster tourism including an increase in visits to the Harness Racing Museum and Hall of Fame; and whereas, the Governance Committee has reviewed and approved the request. Now therefore be it resolved that this IDA hereby approves a one-time grant in the amount of \$30,000 to the Goshen Historic Track, subject to a written grant agreement. Mary Ellen Rogulski made a motion seconded by John Steinberg to approve Resolution as presented. Motion carried with four ayes and one abstain.

Phil Crotty told members that they received a proposal from Focus Media to create a DVD for use as a sales tool for trade shows, website and other uses. This way they get the word out explaining what the IDA is about and will have information and video on the website.

Presented was a Resolution approving \$10,000 for IDA information campaign. The Orange County Director of Real Property Tax Services had requested that the IDA Chairman and Attorney present an IDA information session to the county's Tax Assessors, Tax Collectors, and interested Town Supervisors and Mayors; and whereas the IDA Chairman and Attorney did so in May 2010, and in the course of the presentation the officials became aware of the lack of knowledge concerning the functions of the IDA among the public, government officials, and prospective businesses; and whereas, following the meeting the IDA Chairman directed the Attorney to contact Focus Media and obtain a quote for producing an information video to enlighten viewers about the functions of the IDA and increase the visibility of the IDA, which video could be reproduced and presented to town boards and planning boards in the county, as well as the county legislators and prospective business applicants. Now therefore be it resolved that this IDA authorize the expenditure of \$10,000 to produce an information video and the appropriate number of DVD copies to inform government officials and businesses about the functions of the IDA and increase its visibility. Stephen Brescia made a motion seconded by Mary Ellen Rogulski to approve Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Mike DiTullo talked about the Business Accelerator's first newsletter, which was mailed out recently. Also incubators in Atlanta and New York City asked them to participate in their roundtable. The Business Accelerator is negotiating with an unnamed entity that was formed by ex-IBM semiconductor scientists who would develop technology for medical imaging and national security purposes. They would take a large part of the remaining space and even create a small "clean room" for technical work, hiring 15

people. Copies of the May OCBA financials were handed out to members. Russ Vernon told members that Focus Fund met with two companies. Meetings were scheduled with potential people, including such entities as O&R Utilities. Focus Fund is starting to invest with right companies who need their help.

Mary Ellen Rogulski made a motion seconded by Stephen Brescia that this meeting be duly adjourned, the time being 4:40 pm.

Edda Eller  
Recording Secretary