

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

January 8, 2015

A regular meeting of the Orange County Industrial Development Agency was convened in public session on January 8, 2015 at 2:03P.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, Stephen Brescia, Robert Schreiber, John Steinberg, Mary Ellen Rogulski, Edward Diana [Henry VanLeeuwen joining after roll call]

ABSENT: None

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Associate Executive Director
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Bill Fioravanti – Orange County Partnership
Maureen Halahan – Orange County Partnership
Josh Sommers – Focus Media
Brian Gates – HVEDC/OCBA
Whitney Bowers – Focus Media
Deirdre Glenn – City of Newburgh
Jim McIver – HVL/5 Scobie Partners, LLC
John Cappello – 5 Scobie Partners, LLC, HVL, Jacobowitz & Gubits
Ellen J. Fillo – City of Newburgh
Theresa G. Waivada – City of Newburgh IDA
Josh Smith – City of Newburgh IDA Chairman
Austin DuBois – City of Newburgh IDA
Jason Morris – City of Newburgh Engineer
Mayor Judy Kennedy – City of Newburgh
Sue Sullivan – ISER Consulting
David Littman – HVL
James Walsh – Times Herald Record
Richard Goldberg – PCH Energy
Howard Cohen – PCH Energy
Brian Baxter – General Electric
Ron Barton – Barton Cadillac Chevrolet

Chairman Armistead calls to order the regular meeting of the Orange County IDA, January 8, 2015 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Chairman Armistead and the Board welcome Mr. Diana to the Orange County IDA.

Reorganization Meeting

Chairman Armistead advises that this is the annual reorganizational meeting. Mr. Petro asks the Board to nominate a Chairman. Mr. Steinberg moves that Chairman Armistead is reelected as chairman. Motion seconded by Brescia. Motion carries with five ayes and one abstention.

The officers of the Board are as follows:

Vice Chairman: Ms. Rogulski

Second Vice Chairman: Steinberg

Secretary: Brescia

Assistant Secretary: VanLeeuwen

Motion to elect officers as noted is made by Brescia, seconded by Schreiber. Motion carries with all in favor.

The Chairman appointments for Committees are as follows:

Audit Committee: Rogulski (Chairman); VanLeeuwen; Steinberg
Alternate: Schreibeis
Governance Committee: Brescia (Chairman); Schreibeis; Diana
Alternate: Rogulski

Executive Director resolution, appointing Mr. James R. Petro, Jr., is read aloud. Motion made by Brescia, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Associate Executive Director resolution, appointing Ms. Laurie Villasuso, is read aloud. Motion made by Brescia, 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 Schreibeis, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

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

IDA Freedom of Information Law Officials, appointing Ms. Villasuso as FOIL Officer and Mr. Dowd as FOIL Appeals Officer, is read aloud. Motion made by Steinberg, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution to report IDA-Owned Properties as of 12/31/14, reporting that the IDA owns NO real property as of 12/31/14, is read aloud. Motion made by Brescia, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution to approve IDA Depositories for 2015 is read aloud. Motion made by Schreibeis, seconded by Rogulski. Affirmative votes of all members present resulted in motion carried.

Resolution for Annual Review of IDA Procurement Policies & Practices in 2015 is read aloud. Motion made by Schreibeis, seconded by Rogulski. Affirmative votes of all members present resulted in motion carried.

Resolution approving the Contract for Orange County Business Accelerator Managing Director, and appointing HVEDC as Managing Director, is read aloud. Motion made by Brescia, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution approving \$25,000 Annual Contract with Orange County Foreign Trade Zone, is read aloud. Motion made by Schreibeis, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

Resolution to authorize "Agent Status" for Orange County Partnership, Hudson Valley Economic Development Corporation, Hudson Valley Economic Development Network, Pattern for Progress, Hudson Valley Agri-Business Development Corporation, Hudson Valley Film Commission, Orange County NY Arts Council, Inc., Hudson Valley Food & Beverage Alliance and Rockland Economic Development Corporation (PTAC), and allowing the Executive Director and/or Chairman to sign Agency Agreements, is read aloud. Motion made by Brescia, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Motion made by Brescia to enter executive session issue relating to the employment history of a particular person. Motion seconded by Schreibeis. All in favor.

Executive Session

[VanLeeuwen enters the meeting]

The members discussed IDA personnel.

End of Executive Session

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

Review of the prior December 11, 2014 meeting minutes. Mr. Dowd notes that the minutes should be revised to reflect his disclosure that a member of the Cut & Sew team is his cousin by marriage. Motion to approve the minutes with the revision made by Brescia, seconded by VanLeeuwen. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the income and expense summary for December 31, 2014. He reports that the IDA operated under budget for 2014, with income exceeding expenses by nearly \$600K in 2014. He reviews the bank balances of nearly \$9M. Mr. Kleiman reports the receipts in the amount of \$348,644.94 and payments in the amount of \$141,935.17 for January 2015.

[Rogulski exits the meeting]

Motion made by VanLeeuwen, seconded by Schreibeis, that the Board accept the financial reports and authorize IDA payments and vouchers for January 2015. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead welcomes new member Mr. Diana, then advises that the month was once again very busy. He discusses meetings held with Blackhawk Development and IBM, which he attended with Ms. Villasuso and Misters Petro and Dowd.

City of Newburgh and City of Newburgh IDA – Shovel Ready Program Request

Mr. Brescia reports that the Governance Committee reviewed the request prior to the Board meeting and recommended the approval of a portion of the request, specifically \$50K for engineering costs and \$53K for tree clearing.

Mr. Cappello explains the joint application for Shovel Ready funds. The City of Newburgh and the City of Newburgh IDA own two parcels that will ultimately be developed and operated by Hudson Valley Lighting. Currently, the property is a landfill and must be remediated before being transferred to HVL. HVL has spent nearly \$750K on the property and project already, and the City, the IDA and HVL have applied for and been awarded other grants to prepare the property. There is still a gap in funding and, in addition, work must be completed by the end of 2015 or remaining funds will be lost. In addition, there is a DEC finding that will prohibit tree clearing after March 31st, meaning that the work must start immediately. He notes that HVL is very dedicated to Newburgh and, though the facility could be located anywhere, HVL wants to stay in Orange County. The funds requested are key to accomplishing the goal for the City, the IDA and HVL. Ms. Halahan adds that this project was part of the CFA process, and this project was number one choice in the Hudson Valley.

Chairman Armistead notes that the Board recognizes that the project will turn a blighted area into a ratable and will create 50 new jobs and retain 180.

Mr. Brescia reaffirms Governance's recommendation, and notes that certain terms – such as receipt of a certified copy of the Resolution authorizing the joint application, written authority provided by the City IDA that it has the authority to clear the trees, compliance with competitive bidding and prevailing wage requirements, and allocation of funds for tree clearing and engineering – must be met.

Motion made by Brescia, seconded by VanLeeuwen, authorizing a project expenditure of \$103K for tree clearing on City of Newburgh and City of Newburgh IDA lands and for engineering costs for the preparation of a Landfill Exemption Plan under the IDA's Shovel-Ready Program. Affirmative votes of all members present resulted in motion carried.

Executive Director Report

Mr. Petro advises that, in instances where the host community prefers one PILOT agreement, and the applicant and IDA prefers another, it is the duty of the IDA to do what is best for the County as a whole. It is important to listen closely to the local municipality's opinion, but the IDA must act as an independent agent on behalf of all residents of Orange County. The Webb Properties, Inc. project is just such an issue. Webb is requesting a 10 Year Enhanced PILOT and cannot move forward without it, but the Town of Newburgh only supports a 485-b Equivalent. The public hearing will be held on January 27th at 11:00 in the Newburgh Town Hall. Mr. Barton explains why the 10 Year is necessary, and Mr. Petro reiterates that public opinion will be noted at the public hearing. Chairman Armistead asks the Board to remember that if the project does not move forward, not only will new jobs not be created, but current jobs will be lost. It is important to think of what is best for all taxpayers of Orange County.

Mr. Petro explains that Mr. Barton has offered to make the Town whole, paying the difference between the 485-b and the 10 Year Enhanced, but the Town has declined.

Ms. Villasuso advises that public hearings for Webb, Aurora and Piller will be scheduled for the last week of January.

Chairman Armistead notes that the Board decided at a prior meeting to restructure the payments from SUNY Orange. Ms. Villasuso prepared a letter and invoice and sent it the college in December but received no response. She advises that she will follow up with the college.

OCBA Report

Mr. Gates offers an update of the OCBA's month, and reports that eleven companies occupy the Business Accelerator.

Mr. Sommers advises that Focus would like to meet with HVEDC and IDA members for a SWOT meeting as the Business Accelerator moves into 2015 and suggests some ideas for a new marketing campaign. He notes that the Business Accelerator will host a seminar later in January.

Mr. Gates then offers updates on the Start Up NY and grant programs. He adds that he will join the Board of the Business Incubator Association of NYS.

Mr. Dowd advises that Cymogen has been bought out by BioCare Medical LLC and BioCare has requested that the OCBA lease be assigned to the new owner. He notes that this assignment requires Board approval.

Motion made by VanLeeuwen, seconded by Schreiberis, to authorize the IDA attorney to execute the appropriate documents to assign the lease to the new owner. Motion carries with all in favor.

OCP Report

Ms. Halahan updates the Members on OCP's marketing efforts and the results they yielded by year end, including the OCP commercial previewed at the Annual Event. She and Mr. Fioravanti note that they have been working to share positive stories about economic development in Orange County, and Ms. Halahan adds that there will be a piece in the THR that explains PILOTs. The aim is to clear up the public misconceptions about the program.

The OCP team gives an overview of the attraction and retention projects in the pipeline. They also address current industry trends. Ms. Halahan discusses the CFA awards.

OCIDA Employee Reviews and Salaries

Chairman Armistead advises that he and Ms. Rogulski conducted annual employee reviews for Mr. Petro and Ms. Villasuso. Mr. Petro conducted a review of Ms. Reilly. Chairman Armistead thanks the IDA employees for their hard work during the year, and mentions that the scope of the jobs of both Ms. Villasuso and Mr. Petro have grown over the year. He also notes that Ms. Reilly will be taking on some of the IDA duties.

He announces that the new employee salaries are \$80K for Mr. Petro, \$80K for Ms. Villasuso, and \$46.5K for Ms. Reilly.

Motion made by Brescia, seconded by VanLeeuwen, to increase salaries as noted. Motion carries with all in favor.

Blackhawk Development, LLC – Initial Resolution

With a representative of Blackhawk unable to make the meeting due to weather-related travel delays, Mr. Fioravanti offers an overview of the project. He notes that it is in the Town of Hamptonburgh on the Hudson Valley Crossings site,

and notes that members of the Town were present at the initial meetings with the company. The project is an \$85M capital investment for their high-tech distribution facility, and will bring over 160 permanent jobs. He notes that Blackhawk worked with the owner of the 3-pad Hudson Valley Crossings site to situate the facility so that a fourth pad will be available for future development.

The request is for a Super Enhanced 15 Year PILOT and Sales Tax Exemption. He also notes that this is the first major project to fall under the new IDA Labor Policy, and adds that the project met with the trades and with members of the Board to ensure the policy is met. Blackhawk will disclose the name of the Fortune 100 Company within the next few months. The project, he concludes, is an excellent company that Orange County will be proud to be home to.

Mr. Petro notes that during the conversations with Blackhawk around the Labor Policy, the 10% differential posed the biggest threat to the project, and Chairman Armistead suggests revisiting that portion of the policy in the future. The policy remains unchanged, but the Board should keep that issue in mind.

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

Ms. Villasuso adds that, now that the resolution has been adopted, she will aim to hold the public hearing on January 26th.

PCH Energy, LLC – Initial Resolution

Mr. Goldberg explains that PCH Energy is part of President Container, a company in the Town of Wallkill. PCH will undertake the installation of an 11-acre solar field, 19K panels, on a plot of land behind the President Container facility. Mr. Goldberg confirms that the panels are not considered structures, but considered accessory. Mr. Cohen adds that, under NYS, the property is excluded from property taxes for 15 years as a solar project. Mr. Goldberg advises that the project will provide 20% of President Container's power, net, across the year. As a result of the savings, President Container can operate the facility 24/7, and can hire at least 15 more employees to operate the expanded shifts.

Ms. Villasuso adds that the request is only for an exemption from local sales tax – they are not requesting a PILOT, or Mortgage Tax Exemptions, and the project is already exempt from the State portion of the sales tax. The project cost is \$4.3M.

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

The members discuss the fee structure for this unique request.

Such other and further business as may be presented

With no further business, meeting called for adjournment by Chairman Armistead, motion made by VanLeeuwen, seconded by Steinberg, the time being 4:41 p.m.