

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

April 24, 2014

A regular meeting of the Orange County Industrial Development Agency was convened in public session on April 24, 2014 at 2:05 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, Robert Schreibeis, Russell Vernon

ABSENT: None

ALSO PRESENT: James Petro – Executive Director  
Laurie Villasuso – Associate Executive Director  
Joel Kleiman – Chief Financial Officer  
Kevin Dowd – Attorney  
Russell Gaenzle – Harris Beach, PLLC  
Steven Neuhaus – Orange County Executive  
Barry Cheney – Orange County Legislature  
John D’Ambrosio – Orange County Chamber  
Brian Gates – HVEDC  
Maureen Halahan – Orange County Partnership  
Jessica DiNapoli – Times Herald Record  
Allan Ross – AJ Ross  
Josh Sommers – Focus Media  
Whitney Bowers – Focus Media  
Bill Madden – Focus Media  
Craig Marti – Barton & Loguidice, DPC

Chairman Armistead calls to order the regular meeting for the Orange County IDA, April 24, 2014 (Pledge of Allegiance is recited). Board consists of seven members. There is a quorum.

Review of the prior March 27, 2014 meeting minutes. Motion made by VanLeeuwen, seconded by Schreibeis, to approve the minutes as presented. Motion carries with six ayes and 1 abstention.

Roll Call taken.

**Financial Reports and/or Requests for Payment**

Mr. Kleiman asks the members to refer to the Income and Expense summary for March of 2014. Year to date, the IDA’s expense exceed revenues. This is a result of the reversal of an accrual, and once the monies are received later in the year, we will show a positive operating surplus for the year. He turns the Board’s attention to the spreadsheet of IDA bank accounts and investments. Currently, the IDA has just over \$8M in CDs, checking accounts and money markets. Later in the meeting, he reminds the room, there will be a vote to revise the Investment Policy within the By-Laws, which will allow more investment options with greater returns. He then refers to the revised list of payments and vouchers, and makes a note that there is a \$12 typographical error on the list, and advises that the SUNY payment being approved is \$37,532.87, bringing the total vouchers to \$121,760.31.

Mr. Petro adds that the IDA will collect a fee for the Stewart FBI LLC (now known as 347 Avenue of the Americas, LLC) closing. He also notes that the project is under way, and progress can be seen at the site, just down the hill from the Accelerator.

Mr. Kleiman notes that he, Ms. Villasuso and Mr. Dowd are working on an RFP for an audit engagement. Mr. Dowd will reach out to a neighboring IDA for the language they use for a similar service. Mr. Dowd reminds the room that the proposed audit will be used to ensure that companies are providing the jobs promised, and paying PILOT agreements. The proposed audit takes the IDA’s current practice a step further.

Motion made by Vernon, seconded by VanLeeuwen, that the Board accepts the financial report and authorization of IDA payments and vouchers for April 2014. Open for discussion. Affirmative votes of all members present resulted in motion carried.

### **Chairman's Report**

Chairman Armistead commends the Labor Policy Committee, as well as the entire Board, for the many hours of attention paid to the revision of the IDA Labor Policy. He thanks the members, and reminds everyone that it has taken 6 months' worth of meetings with members, as well as other partners, to finalize the Policy. He commends the Board once again for their hard work and dedicated effort.

Chairman Armistead moves on to address an opportunity to take advantage of some PAAA continued education. Ms. Villasuso will reach out to the Board once a date has been identified, and will invite all members to attend the session. He also notes that the New York State EDC conference is being held at the end of May, and Mr. Dowd and Ms. Villasuso will attend.

Chairman Armistead briefly notes that County Executive Neuhaus has discussed the prospect of the TweetMyJobs program. Ms. Villasuso gives a brief overview of the program, reporting from her meeting with the County Executive and the company, and Chairman Armistead advises that the presentation will be referred to Governance.

### **Executive Director Report**

Mr. Petro advises that the past month has, once again, been busy. He notes that, outside of the Labor Policy, he and Ms. Villasuso have been dealing with a number of issues. One of which, he advises, is some confusion around the Church Hill Properties/Old Guard Hotel project. The Mayor of the Village of Highland Falls originally sent the IDA a letter in support of the project, but has since sent another letter, supporting the project itself, but not the IDA benefits. Mr. Petro was advised by the Mayor that he changed his mind because he didn't understand the support letter's intent when he signed it. Mr. Petro and Ms. Villasuso spent a good deal of time explaining how the IDA incentives work, and the issue will no doubt be addressed at the public hearing, scheduled for April 29<sup>th</sup>. As always, the members will receive a report of the hearing, along with a transcript of the hearing. Mr. Petro advises that it is clear to him that the IDA should stay their course here and move forward with the incentives. He asks for Mr. Gaenzle's opinion, who states that this Board has a good policy and history of getting the consent of the local taxing jurisdiction before approving a PILOT, which, he reminds, the County IDA does not have to do by law. He adds that he can attend the hearing as well. Mr. Brescia adds that he believes the IDA should proceed with the project. Ms. Villasuso notes that she spoke to both County Executive Neuhaus and Legislator DiSalvo, and both intend to attend the Church Hill public hearing, if their schedules allow, to show support for the project.

Mr. Petro then advises that he, Ms. Villasuso and Kelly Reilly have been keeping a keen eye on the Accelerator's budget, and notes that it will be under budget this year.

Ms. Villasuso advises that the Business Accelerator will be hosting a 5<sup>th</sup> Anniversary celebration on June 4<sup>th</sup>. The celebration was addressed at March's meeting and was originally scheduled for May 14<sup>th</sup>, but due to conflicts was rescheduled for June 4<sup>th</sup>.

### **OCBA Report**

Mr. Gates advises that, based on the comments of the Board Members, he asked Focus Media to come in and give an overview of the new plans for OCBA.

Mr. Sommers begins by advising that they have been working with the Business Accelerator for five years. He introduces Mr. Madden, who reminds the room that the current activities are focused on generating a steady stream of interest in the entrepreneurial and innovation arenas. The staple of the program is the Innovator Digest, which goes to 1200 people via email every week. The email blast is a recap of entrepreneur news of the week. Pieces of the Digest are distributed through social media, including Facebook and Twitter. He goes on to explain the website's blog posts, which include client successes and news.

Moving on, Mr. Madden addresses Google AdWords, and advises that the pay-per-click key words include searches for small business offices. Mr. Sommers then advises that he has determined that the current OCBA website needs to be updated and redesigned. Because of the ongoing relationship between the Business Accelerator and Focus Media, Mr. Sommers advises that his team took the time to show the Board where they believe the website should go, visually. They will present the visual shortly.

For now, Mr. Madden advises that the OCBA 5<sup>th</sup> Anniversary will be an open house and networking opportunity, and will honor former County Executive Ed Diana. In addition, it will help to identify new leads, and they have pulled the DBA list from the County Clerk's office, and will also reach out to former clients and contestants. They anticipate sending out invitations within the coming week.

Looking forward, Focus plans to leverage the Business Accelerator's Start-Up NY designation for media coverage in local and regional outlets. Mistery Sommers and Madden then display their vision for the new Accelerator Website. Once finalized and greenlit, Mr. Sommers believes it will take about 90 days to launch the site.

Lastly, Mr. Madden lists some upcoming client days, which will work to bring traffic into the Business Accelerator. One upcoming event is a Yankee Game viewing party on May 21<sup>st</sup>.

Mr. Gates announces that he accepted a certificate for OCBA's status as a Certified Incubator. He also notes that the state will require that the Business Accelerator track some client information to maintain our grant. He and Ms. Reilly will work on ensuring the data is collected. On the client front, Nexus Health Resources will be hiring 2 employees, and Merete is hiring one employee this month. He reports on the recent lunch seminar, and also offers updates on Start Up NY. In addition, he was designated to vet leads that were not qualified for Start Up NY, and can follow up on those leads to determine if the Business Accelerator is appropriate for their endeavors. He also advises that there was Business Plan contest held recently at Marist. Of the 30 teams competing, 6 were from SUNY Orange, and two of those teams were 2<sup>nd</sup> place winners. Those two teams will compete in a state-wide competition, and they will also be the teams making up the Business Accelerator's Summer Sandbox program. Those teams will incubate their ideas in the Accelerator over the summer. The students will be invited to meet the Board at the June meeting.

Lastly, Mr. Gates advises the members of some recent tech upgrades at the Accelerator. The cost of the equipment can be reimbursed by the grant.

### **OCP Report**

Ms. Halahan begins by discussing the very real prospect of gaming in Orange County. It is her belief that Orange County is a position to get one of the more than 20 casinos hoping to land in the Hudson Valley area. She moves on to address the CPV project, which the entire Economic Development team has worked for years to bring to the area. She advises that the final decisions have not yet been made, and there is belief that the State needs to understand that the community is behind the project. Ms. Halahan will organize correspondence that the economic development leaders can all sign and send onto the Governor.

She announces that the Mid-Hudson Regional Council met on Monday, and the CFA and Priority Project Applications will launch in early May. Deadline for applications will be late June, and the applications will be scored in August, with winners announced in the fall.

Ms. Halahan then highlights the fact that Orange County Partnership has more leads in the pipeline in mid-April than they have had for an entire year in the past. She also reminds the Board that the OCP MVP Breakfast will take place on June 5<sup>th</sup>, and will honor Goshen JEDI. She then displays the marketing materials for the Warwick Valley Office & Technology Corporate Park, and advises that the Partnership will be bringing the materials to trade shows to highlight the exceptional sites available.

She then thanks Chairman Armistead, Mr. Petro and Ms. Villasuso for attending and speaking at the Leadership Orange event in the past month, and reminds everyone how important it is to explain the IDA's role in business and economic development.

While addressing the WSJ campaign for fall of 2014, Ms. Halahan reminds the Board how important it is to develop the Shovel Ready program. Chairman Armistead agrees that it is an issue in progress, and very important to the Board and the County as a whole.

County Executive Neuhaus echoes Ms. Halahan's sentiments about Orange County's gaming opportunities.

### **AJ Ross**

Mr. Ross presents the completed and just-delivered tri-fold brochure. The brochure will be distributed at trade shows and at every meeting attended by IDA representatives. Mr. Petro adds that it is important to have something in-hand when meeting not only with companies, but with the public as well.

Mr. Ross then updates the Board on the website, and reminds them that analytics will coming within the next few months. The design and Search Engine Optimization is complete, and Ms. Villasuso adds that she has been contacted by other IDAs looking for direction on their own website, hoping to use the OC IDA's site as a model. In addition, Phil Crotty – former IDA attorney – called to advise that the IDA's website is exactly what he'd hoped it would be five years ago. In addition to the website, the Facebook and LinkedIn pages are up and running.

### **Governance Update**

Mr. Brescia advises that the Governance Committee met last week to review, and recommend, the recent draft of the Labor Policy, which will be presented for a vote later in the meeting. He also advised that the Committee will be revising the guidelines for Project Expenditure applications. Using some of the CFA Application language, the parameters for application will be revised, and should be ready for adoption at the next meeting.

It is also noted that Governance decided not to move forward with the requests from MSMC and River of Opportunities, both of which were presented at last month's IDA and OCFC meetings. Mr. Petro and Ms. Villasuso reached out to the parties requesting funds to advise them of the Committee's decision.

### **Investment Policy**

Mr. Dowd reads aloud the Resolution of the Orange County Industrial Development Agency Revising Exhibit C of the Agency Bylaws Entitled "Investment Policy" to Incorporate Recommendations of the Chief Financial Officer for Additional Investment Options Available to the Agency. Motion made by Rogulski, seconded by VanLeeuwen. Open for discussion. Affirmative votes of all members present resulted in motion carried.

### **Labor Policy**

Mr. Dowd reads aloud the Resolution of the Orange County Industrial Development Agency Revising Exhibit K of the Agency Bylaws Entitled "Labor Policy. Motion made by VanLeeuwen, seconded by Schreibeis. Open for discussion. Resolution adopted with 6 ayes and 1 nay.

### **St. Luke's**

Mr. Gaenzle advises that, in 2004, the IDA issued Bonds for the benefit of St. Luke's. The original legal description on the Bonds included properties not financed with the Bonds. The Lease and Leaseback needs to be amended to correct the legal description. It does not impact the transaction, or the IDA's role in it.

Motion allowing the execution of the amended made by VanLeeuwen, seconded by Brescia. Motion carries with all in favor.

### **Slate Hill Associates**

Mr. Dowd reminds the Board that, a few months ago, the IDA adopted a resolution allowing further legal action to collect on the PILOT for Shamrock Creek. As a result of this action, and with the intervention of their attorney, the PILOT is set to be paid. Unfortunately, there is another situation with PILOT non-payment for Slate Hill Associates, also known as Catlin Gardens. While he understands that there may be foreclosure action pending, Mr. Dowd needs the Board to authorize further action to collect Slate Hill's PILOT.

Motion made by VanLeeuwen, seconded by Brescia, authorizing counsel to the IDA to take all necessary legal actions with regard to the Slate Hill Associates, Inc. PILOT Agreement, Lease and Leaseback Agreements. Motion carries with all in favor.

Motion made by Brescia to enter executive session pursuant to Section 105(1)(f) of the Open Meetings Law to discuss the employment history of particular persons employed by the IDA. Motion seconded by VanLeeuwen. All in favor.

### *Executive Session*

The members discussed IDA personnel.

### *End of Executive Session*

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

**Such other and further business as may be presented**

Chairman Armistead comments that attention must be paid to the Shovel Ready Program. He reminds the Board that there was quite a bit of work done already, and now that the Labor Policy has been completed, it's time to focus on Shovel Ready again.

Motion made by Rogulski to increase the salaries of Laurie Villasuso and Kelly Reilly for out-of-title work performed for the Orange County Business Accelerator and Orange County IDA. Seconded by VanLeeuwen. Motion carries with all in favor.

The members thank Ms. Villasuso, as well as Ms. Reilly, for their hard work at the Business Accelerator and IDA.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by VanLeeuwen, seconded by Rogulski, the time being 3:57 p.m.