

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

AUDIT COMMITTEE MINUTES

July 11, 2019

Orange County Business Accelerator in New Windsor, New York.
1:06pm- 1:46pm

PRESENT: James DiSalvo, John Steinberg, Michael Gaydos

ALSO PRESENT: Laurie Villasuso - Chief Operating Officer, Vincent Cozzolino, Melanie Schouten, Kelly Reilly, Kevin Dowd- Attorney, Kevin Loewke- Loewke Brill, Heather Reiker

Highland Falls

Mr. Cozzolino started the meeting asking if the Audit Committee would like to execute the line item in the Budget of \$40,000 for an Accelerator in Highland Falls. Motion was made by Mr. DiSalvo, seconded by Mr. Steinberg. All in favor

Budget

Mr. Cozzolino stated that the budget for 2020 will be coming to the Audit Committee soon. Ms. Villasuso confirmed that this Audit Committee is new and the process for the 2020 budget has started. She said the first pass will be done by the August meeting and we will then sit with the audit committee and go over the details, make any changes during the month of August, so that it can be done by September. The state requires it to be filed by October. Ms. Villasuso stated that the October 2019 meeting will be cancelled. Mr. Steinberg requested to go over the financials in the next meeting. The Audit Committee agreed.

Kraftify

Ms. Villasuso stated Kraftify is a project in Warwick, they had a lot of compliance issues and Mr. Kraai gave a lot of push back. At the last meeting it was determined that Mr. Kraai would have 15 days to get compliant with his reporting and 30 days to get everyone on site the appropriate paperwork and compliance. Mr. Dowd stated that he sent a letter to Mr. Kaai with all the requirements the Audit Committee requested. Mr. Loewke stated that he felt the letter made a difference, things changed, he has received all the information requested. Mr. Kraai also put up the proper signage, although it is hard to see. Mr. Loewke suggested we make up a sign for each project, so it is clear and stands out. Ms. Villasuso stated that in their pre-labor audit meeting new signage was brought up. Mr. Loewke informed the board that a waiver was submitted for Van Grouw for cost differential and not specialty construction like originally submitted. With the bids provided Loewke Brill could justify this waiver. A second waiver was also submitted for Pioneer Building which is for a pole barn. Loewke Brill approved this waiver for cost differential. It was brought up that Pioneer Building had been hired prior to submitting the waiver. After some discussion Ms. Villasuso asked is Kraftify now in compliance. The answer is yes. She brought up the Kraftify resolution that the IDA board will be voting on today in the meeting which the PILOT is supposed to start in 2019, but construction is not complete. A call was received from the Town requesting that the PILOT start date be delayed until the construction phase is complete. It is up to the board if they would like to recommend approval of this resolution. Last month this resolution was tabled based on his non-compliance. Mr. DiSalvo recommends tabling this resolution until the August meeting to ensure that Mr. Kraai continues to be compliant. Mr. Dowd asked if there will be any penalty for his non-compliance. Mr. DiSalvo stated that he would like to wait for the August meeting to ensure that he maintains compliance.

Mr. Loewke stated the exemptions for the board to vote on. The first one is VanGrouw for cost differential and Pioneer Building which is also cost differential, Loewke Brill recommends approval for both exemptions. Mr. Steinberg motions to approve the exemptions, seconded by Mr. Gaydos. Motion carries with all in favor.

Goshen Plaza

Ms. Villasuso states that Goshen Plaza is starting demolition. There have been some discussions with them about some issues and their application. They said that they included some cost in their application that they should not have and now they are trying to reduce the fee due to this. Mr. DiSalvo asked what the fee was, and Ms. Villasuso said \$276,000. They wanted to pay half of the fee in order to get their sales tax exemption which has been done in the past. Now after the resolution, public hearing, and after the vote they want to reduce the amount by 8 million for the land acquisition. Ms. Villasuso told him no, but it would be up to the board. Another issue they are pushing back on with Loewke Brill is about how much of the project is subject to the local labor policy. Ms. Villasuso made it very clear to the board that in their application they will not be building the Hannaford and CVS. They are only building the pad sites. The PILOT only applies to pad construction of the two facilities and the rest of the retail operation. She stated to Goshen Plaza that everything done on site from demolition to whatever construction is complete is subject to our labor policy. Ms. Villasuso stated that no action is required just wanted to update the Audit Committee. Mr. Loewke brought up a conversation he had with Mr. DeLuca and stated he was not doing any buildouts. Ms. Villasuso stated Mr. Cozzolino and she had a conversation with Mr. DeLuca on 7-10-19 and it was stated that Mr. DeLuca will be doing all the buildout except for the Medical office. Mr. Cozzolino informed everyone that Mr. DeLuca will be writing a letter and will be asking to take out the 5.3 million for the land that was already purchased. Ms. Villasuso stated that the Audit Committee will talk about this in August.

Ms. Schouten will speak to Mr. Kraai about Kraftify.

Audit Committee Meeting ended.