

MINUTES

Dutchess County  Industrial Development Agency

3 Neptune Road, Poughkeepsie, NY 12601
Tel. # - (845) 463-5400 / Fax # - (845) 463-0100

BOARD OF DIRECTORS REGULAR MEETING

Friday, July 14, 2017

Present: Tim Dean
Mark Doyle
Stacey Langenthal
Edward Summers
Alfred Torreggiani

Unable To Attend: Charles Daniels III
Angela Flesland

Also Present: Sarah Lee, Executive Director
Marilyn Yerks, CFO
Stephanie Renino, Compliance Officer
Jasmin Haylett, Office Administrator
Don Cappillino, Counsel

On Friday, July 14, 2017, the Dutchess County Industrial Development Agency [DCIDA] Board of Directors Meeting was called to order by Vice Chairman Dean at 8:17 a.m. Present was: Tim Dean, Mark Doyle, Stacey Langenthal, Edward Summers, and Alfred Torreggiani. Unable to attend was: Charles Daniels III and Angela Flesland. Quorum was established.

APPROVAL OF MINUTES

Vice Chairman Dean asked for a motion to approve the May 16, 2017 and May 30, 2017 Minutes of the Dutchess County Industrial Development Agency.

A motion was made by Mr. Summers, duly seconded by Mr. Doyle to approve the DCIDA Board of Directors Meeting Minutes for May 16, 2017 and May 30, 2017. All voted in favor. Motion carried.

GAP LOCAL WORKFORCE WAIVER

Ms. Lee reminded the board that at the March 21 board meeting, the Board approved a Conditional Local Workforce Waiver for the GAP project. The condition was that the same local company which installed the original conveyer equipment be considered unless the use of the company triggers the need for another waiver request. The "original" equipment refers to a local company that installed the conveyer equipment during the original construction of the distribution center in 1999.

After visiting the site, Ms. Lee determined the new conveyer equipment was starkly different than the original equipment. Ms. Lee also learned that the conveyer company and GAP consider this new equipment a trade secret which qualifies as one of the waiver conditions. Based on this visit, Ms. Lee recommends that the board considers approving a full waiver of the Local Workforce Policy for this project because the current conveyer equipment is different from the equipment that was originally installed.

Discussion ensued.

Based on questions regarding the specific conveyer system suppliers and their labor force specific to the project, the board decided to defer making a decision until Ms. Lee receives more information about these three specific companies.

DCT QUARTERLY UPDATE

On behalf of Ms. Vrba, Ms. Lee gave a brief update of the first quarterly outcomes for DCT in the following areas:

- International Marketing
- Marketing and Advertising
- Special Events and Programs
- Arts Mid-Hudson
- Hudson Valley Film Commission

2016 IDA PROJECT PERFORMANCE REPORT

Ms. Lee reminded that board that this is an annual report to track and maintain performance base incentives. Ms. Lee reported that the majority of the projects are performing well and meeting their performance goals and no project are subject to recapture under the Performance Based Incentive Policy at this time.

2017 HALF YEAR UPDATE

Ms. Lee gave an update on the following:

1. IDA Program
 - Closed projects: 2 (Cricket Valley and Gap)
 - Increased new jobs through IDA projects: 726 (to be verified through annual employee reporting)
 - Retain jobs through IDA projects: 428
 - Increase capital investment in County: \$1,249,000,000
 - Construction jobs created: 900
2. LDC
 - Closed projects: 1 (Vassar College)
 - Increased new jobs through LDC projects: 0
 - Retain jobs through LDC projects: 1,006
 - Increase capital investment in County: \$102,095,000
 - Construction jobs created: 0
3. Strategic Marketing Council
 - Member contributions received to date: \$22,500
 - In-bound leads: 15
 - Out-bound leads: 2
 - Property tours conducted: 1
 - Business Attraction meetings: 3
 - Trades shows attended: 7
 - New businesses to Dutchess County: 3
 - Jobs created by new companies: 8

4. DCI marketing reports for May and June
5. Innovation Challenge Competition: 10 applicants to date

FINANCIAL REPORT

Ms. Yerks reported on the 6/30/17 financials:

- Cash balance was \$5,241,802.92
- Profit & Loss Net Income was 3,548,292.07

A motion was made by Mr. Summers, duly seconded by Mr. Torreggiani to approve the 6/30/17 financials. All voted in favor. Motion carried.

OLD BUSINESS

Mechtronics

Ms. Lee noted that in April a letter was sent to Mechtronics informing them that they were in default of their PILOT agreement. All the letters sent to Mechtronics were returned to IDA unopened. The letters sent to their attorney and the bank on file was received. To date, Mechtronics has not made payment on their PILOT and remains in default. Based on this information, Ms. Lee asked Mr. Cappillino to explain the next steps for the Board.

Mr. Cappillino informed the board that 20 days after the April 25 letter was issued to Mechtronics, The City of Beacon received a letter from Mechtronics' attorney asking for forbearance. He noted that the next step would be to immediately terminate the lease agreement, give the property back to Mechtronics, and put the property back on tax roll immediately.

Discussion ensued.

A motion was made by Mr. Summers, duly seconded by Mr. Torreggiani to authorize Ms. Lee to send a letter to Mechtronics stating that the IDA will terminate its lease and PILOT agreements with Mechtronics outlined in the project agreements. All voted in favor. Motion carried.

NEW BUSINESS

The next meeting will be on Wednesday, August 2. The August 15 meeting will be canceled.

ADJOURNMENT

There being no further business, a motion was made by Mr. Summers, duly seconded by Mr. Doyle to adjourn the meeting. All voted in favor. Motion carried. Meeting adjourned at 9:09 a.m.

Respectfully submitted,

Mark Doyle, Secretary/Treasurer

Date

Meeting	<u>07-14-17</u>
Approved	<u>08-02-17</u>
Certified	<u>08-02-17</u>