

**EDUCATION AND ECONOMIC DEVELOPMENT COMMITTEE  
MINUTES  
(REMOTELY)  
FRIDAY, JANUARY 22, 2021  
4:00 P.M.**

PRESENT: Paul Ruskiewicz, Chairman  
Barry Cheney, James D. O'Donnell, Rob Sassi,  
Joel Sierra, Kathy A. Stegenga, Laurie R. Tautel

ALSO

PRESENT: L. Stephen Brescia, Chairman  
Katie Bonelli, Majority Leader  
Leigh J. Benton, Legislator  
Thomas J. Faggione, Legislator  
Kevin W. Hines, Legislator  
Peter Tuohy, Legislator  
John Vero, Legislator  
**Kevindaryán Luján**, Legislator  
Antoinette Reed, Legislative Counsel  
Harold Porr III, Deputy County Executive  
J. Daniel Bloomer, Director of Operations  
Langdon Chapman, County Attorney  
Sharon Worthy-Spiegl, Deputy County Attorney  
Bill Fioravanti, Director, Economic Development  
Rachel Wilson, Director, Youth Bureau  
Susan Ambrosino, Associate Account Clerk II, Youth Bureau  
Michael Gaydos, IDA Board Member  
Gretchen Riordan, Budget Analyst

Chairman Ruskiewicz opened the committee meeting at 4:01 p.m. by asking everyone to stand for the Pledge of Allegiance. All committee members were present with the exception of Legislator Minuta who was absent.

Chairman Ruskiewicz announced that the order of the agenda will be changed to accommodate Mr. Gaydos so agenda no. IV. will be moved up to agenda no. II.

Ms. Tautel moved the request for confirmation of reappointments to the Foreign Trade Zone Management Board (L. Benton, J. Vero, A. D'Amico, M. Grady, E. Devitt, J. Monroe, D. Conklin, A. Seidman), seconded by Ms. Stegenga.

Mr. Porr stated that they were reorganizing the Foreign Trade Zone Board. The names presented today are names of people who previously served. He spoke with Ms. Cione earlier today and she requested to have her name removed.

Motion carried. All in favor.

Ms. Stegenga moved the request for confirmation of the reappointment to the Orange County Industrial Development Agency and the Orange County Funding Corporation (5-year term), seconded by Ms. Tautel.

Chairman Brescia stated that most Legislators know Mr. Gaydos, he is a business manager for Local 417. He was the first labor appointment to the Orange County IDA in thirty-five years. Mr. Gaydos stepped right in and has served on committees and is very engaged. He has a good viewpoint and very openminded.

Mr. O'Donnell commented that with all the issues going on with the IDA, he had a few conversations with Mr. Gaydos over the past few days. Mr. Gaydos has pledged to provide the Legislature with any and all information that the Legislature requested. He was sure they would have a more in-depth discussion about the letter they received in response Mr. Ruskiewicz's request for information. The IDA hired another law firm wasting our public funds. He planned to support the reappointment.

Mr. Gaydos acknowledged Mr. O'Donnell's comments and stated that he is there to work with the Legislators to enhance any relationships. He is the newest member, but he is vocal on being transparent. Everyone has his cell phone number, if not they can get it from Mr. O'Donnell or Chairman Brescia, call anytime. He will give them anything he can, he has no issues, and he will vote the right way which is the only way it should be because what is right, is right. He was sure Chairman Brescia would concur with that. He is the strongest advocate; he supported the Heritage Trail which was controversial. He is there to make things work, to support local labor, not union labor. He wants things to go to local contractors. Anybody can call him anytime and he will be there to aid them in any way that he can.

Mr. O'Donnell stated that he was looking for a pledge that they were going to get the information they requested.

Mr. Gaydos stated that he would get him anything that he can. He is a vote, he does not control the keyboards but he will voice his opinion.

Mr. O'Donnell asked if he would vote to submit all the information the Legislature requested.

Mr. Gaydos responded that he will support what he can do, legally, in his power to do so. He can only control what he can control. He did not want words put in his mouth but he was there for him.

Ms. Bonelli thanked Mr. Gaydos for being part of the meeting. Obviously, the Legislature has major concerns when it comes to the operations of the IDA. They want to make sure that they look at everything and are working together. The fact that Mr. Gaydos has been so

straightforward and honest in the brief conversation this afternoon, she appreciated it and she looked forward to him working again with the IDA.

Mr. Gaydos stated that he has known most of the Legislators for quite some time and they all do a great job. They all need to work together to make things happen. Whatever the topic might be, call him, off record, on record. Things will get done a lot better if they communicate more often.

Motion carried. All in favor.

Mr. Sassi moved the request to accept and appropriate additional NYS Office of Children and Family Services Runaway Homeless Youth (RHY) funding in the amount of \$130.00 for the year 2020, total funding, \$65,344.00, seconded by Ms. Tautel.

Ms. Wilson explained that this is legislative add in funding that they have received historically. It was originally approved in the budget by the state for 2020 but due to the pandemic, the state decided to withhold the legislative add in. They decided in early 2021 to give them the funds for 2020.

Motion carried. All in favor.

Mr. Sassi moved the request to accept and appropriate NYS Office of Children and Family Services, Youth Development Funding in the amount of \$36,533.00 for the year 2020, total funding, \$374,390.00, seconded by Ms. Stegenga.

Ms. Wilson stated that this was a similar situation as the previous request. Due to the pandemic, it was withheld, then it was released and approved early 2021, still for the 2020 funding.

Motion carried. All in favor.

Mr. Fioravanti was next on the agenda and provided a monthly update on Economic Development in the county (see original minutes).

Ms. Tautel referred to the Foreign Trade Zone (FTZ) segment of the report and noted the \$10,000 benefit with the Valley Stream, New York location. She asked if it goes into the general fund and how would she explain to someone how we are getting the benefit.

Mr. Fioravanti explained that there are two budgets, EDZ and FTZ and the revenues go back to those budgets.

Mr. Porr added that sometimes they use the funds for advertising, promotion and portion of salaries.

Ms. Tautel stated that she had someone asked her at one time how do we benefit from this if we are not creating jobs so how do they get the funds.

Mr. Porr explained that they have a zone that allows 2,000 acres of development. About 1,000 or more is identified out of Stewart Airport footprint. That leaves them with 1,000 acres more that they can use for different parts of the county or for clients outside the county. Many clients they have right now are outside the county. The benefit to them is they charge those outside clients \$10,000 a year to be a member of our organization. One of the clients include the Gap in Fishkill. The value is that they pay them \$10,000 a year to use our designation to help their operation.

Mr. Lujan asked what the status was on Camp LaGuardia.

Mr. Fioravanti stated they received one proposal, but their focus presently is on Grand Street. They have had a lot of interest since the RFP has closed. He gave about five or six tours. Do they want to do away with the present RFP and reissue it and find a way to deal with one of the interested groups. That is what the options are.

Mr. Lujan stated that if they hold on to the project and in the end does not make a decision, he did not want to have those groups waiting for no reason.

Mr. Porr stated that the offer came in at \$1.25 million and they have almost \$8 or \$9 million invested in the property. He felt the offer was soft. It was a mix of agriculture, camping and a variety of different uses. It was the only response they received from the RFP. They are talking to other groups interested but nothing firm or appropriate for Camp LaGuardia.

Mr. Lujan asked if they were considering sending out another RFP.

Mr. Porr stated that their door is always open for any serious offer. They also believe that the pandemic is making things a little slower. Also, with Legoland about to open up, the value of Camp LaGuardia is going to go up.

Mr. O'Donnell addressed some of Ms. Tautel's questions regarding the FTZ and outside companies taking advantage. He explained that it was a quirk in the law when the FTZ in Orange County was created which allows them to grant FTZ benefits anywhere they want in the state. The benefit of that, besides getting \$10,000, it helps create goodwill between Orange County and other counties. It is basically a feather in the County Executive's hat that he took care of another county. There is a lot of goodwill that goes back and forth. When a county finds out that Orange County is the FTZ operator of a business in their county, they rush to Washington to try and create their own FTZ, so they do not have to deal with Orange County. It is good for Orange County, it is good for the state and good public relations for the County Executive. In regard to Camp LaGuardia, he received three phone calls about turning it into a park. Camp LaGuardia was previously a homeless shelter for New York City. It was a fact that many people would take a bus and hideout in Camp LaGuardia for months at a time with active warrants on them. Some of those same people would walk the Heritage Trail, they would walk to the Shop Rite plaza and intimidate the shoppers. It was just a matter of time before they had a criminal incident on the trail, and they did, and that was one of the main reasons why former County Executive Diana went down to New York City and lobbied hard when they were going to close one of their four or five homeless shelters due to budget crisis and they convinced them to close the one in Orange County. People keep saying it would be a great location for a county park so that should be on the table. Especially if they are only getting \$1.2

million and of course it depends on what type of companies are interested, what the economic impact of those companies will have on the county. Without having a huge economic impact on the county, he thought that they can always use more parkland, especially with the pandemic people have been in their homes for almost a year.

Chairman Brescia strongly opposed making Camp LaGuardia parkland. They have enough parkland in Orange County, and they should maintain what they have. It is prime land that can be developed industrially or commercially. He is one of the Legislators who voted for the purchase of the Camp LaGuardia property and it was very controversial. Eddie Diana never wanted to make money on that property, but he would not be in favor of parkland, unless it is a minor piece of the property.

Mr. Vero mentioned that the one firm that was recently interested in Camp LaGuardia made a phone call and was supposed to be followed up with more information touting what they could do for Chester. However, that follow up phone call never came. Funding was a big issue, they had big visions but no money to back it up. He agreed with Chairman Brescia and would not want to see it turned into parkland. If anything, the people of Chester want to see it back on the tax rolls, not just an empty parcel. He felt there was great potential and when things get better, and they will, the property will be beautiful and offer more value. He was sure that many projects around the county will look at Camp LaGuardia. They sat on this parcel since 2007 so what is another year or two if they get the right deal and the people.

Ms. Bonelli mentioned that she was the Supervisor for the Town of Blooming Grove back in the late nineties when they were dealing with the homeless shelter. The individuals would come up at 2:00 a.m. or 3:00 a.m. and go to Camp LaGuardia. It was not only impacting the Shop Rite Plaza, but it was also affecting White Tail Run which is the property and residence in Blooming Grove. They were dealing with these people wandering all over the place. Questionable characters that were talking to young children getting off school buses. There were some ugly things that were happening out there. She referred to Mr. Vero's comments and they did meet with the proposer for the \$1.2 million and we asked them to follow up with information and they never heard from them.

Mr. Ruskiewicz stated that Mr. O'Donnell wanted to discuss the IDA. He mentioned a response to their letter, and he stated that he has not received the letter yet. He spoke to Chairman Brescia earlier and he mentioned it, but he has not received an email and if it was mailed to him, he did not receive it yet. He asked that whoever has it to please forward to him.

Chairman Brescia advised Mr. Ruskiewicz that he asked staff to forward it to him.

Mr. O'Donnell stated that one letter that was addressed to Mr. Ruskiewicz and Mr. Chapman. Mr. O'Donnell read the letter; Legislator Ruskiewicz, please find attached our letter in response to your letter sent to our client, the Orange County IDA. Additionally, I have also attached all of the IDA and OCFC audited financial statements from 2016 to the most current. The IDA and the OCFC are audited annually by a certified independent auditing firm. While our client reserves any and all rights they have under law to contest the legal authority of the County Legislature's perceived audit authority over the Orange County IDA or OCFC. We look forward to working with the Legislature on this matter. Thank you, Alex (Alexander L. Betke, Esq. 46 N. Pearl, Suite 3, Albany, New York 12207).

Mr. O'Donnell was disappointed that the IDA was not present today. Even Michael Gaydos mentioned they need to communicate more often. He asked twice and made a motion to have the IDA come before the committee monthly. Both times he made the request, it was voted down. He hoped that by the end of his comments when he makes another motion to have the IDA appear before them monthly, it is voted in the affirmative. To have the IDA go to Albany, spend public funds to hire a firm when all they are doing is asking for public documents to do their job of oversight. The Chairman of the Legislature appoints the board and the Legislature votes on the nominations. They are the boss of the board of the IDA. The IDA Board hires everyone at the IDA and the OCFC. The IDA Board of Directors is the boss of everybody that works there. Some people do not agree with that concept. All they have to do is tell the people who work at the IDA to submit those documents. Instead, they went up to Albany and spent public funds, again, wasting public money, hiring lawyers. Last year they showed up to one of their committee meetings with someone they claimed was a lobbyist, when in fact he is an attorney from Albany. When they submitted the twenty-four-page power point document, on page twelve or thirteen was the pie chart which represented \$2 million in expenses in 2020. On the top of the chart was GTG, Galileo Technology Group, ran by Mr. Cozzolino who is a contract employee at the IDA. Why is he a contract employee and not a regular employee of the IDA, so he can collect more money through his company. He was a member of the IDA team and worked directly with the IDA, he assumed that he would be making less than the \$157,000 that the head of the IDA makes because he would be working for her. Other items on the pie chart were utilities, \$236,000, rent \$600,000 and then the Accelerator Without Walls (AWOW), \$500,000, other consulting \$236,000. There is \$1,119,000 going through what he assumes is GTG. The four highest paid people in this county with public funds is the District Attorney, who by law his salary is mandated in Albany, the County Executive, Laurie from the IDA makes \$157,000 and Mr. Cozzolino who has \$1,119,000 going to him. They have the legal authority and are the oversight of the IDA, yet they continue to question their legal authority. They made it clear in their response to them that they are not going to get the information they need. They talked about an investigative committee with subpoena power and that should be their next step. The Chairman along with leadership should put together an investigative committee and subpoena the records they refuse to give them. The documents they supplied with the letter to Mr. Ruskiewicz was insulting to not only every Legislator, but it was insulting to our citizens, every taxpayer. They attached audits that are on their website. They did not get anything in that letter other than perceived insinuation that we do not have the authority. In the other letter they take a little jab at them saying this is in response to your undated letter. They are going to throw shots at elected officials because there was not a date attached to the letter requesting information when this is a hot topic. They need an investigative committee with subpoena power. They received a pledge from Michael Gaydos to get them everything, but then he threw in legally. They need to show them the documents Ms. Reed gave them citing the legal authority over the IDA. He had this discussion with Chairman Brescia too, because he is the boss over there. The board members hired Ms. Villasuso and they approved the contract with GTG. Anyone can ask him questions, whether they believe him or do not believe him. One thing is for sure, money is missing, and we do not know how it was spent. The IDA submitted a 2021 budget to the Education and Economic Development Committee where they stated that they were going to lose over \$500,000. If you took a closer look at their budget, which he assumes the IDA board voted on and approved, it included \$2 million in revenue from being paid back the \$2 million interest free loan. He is not an accountant but that is not revenue that they bring in, it is a loan. Without the loan repayment, they submitted a budget that loses \$2.5 million this year. Everyday they drag on delaying them from providing the information they requested more than a month ago. This has gone on long enough. He is calling on leadership to create a special investigative committee with subpoena power and then they will get them the

documents they are looking for. Where did they spend the money? Show them their checkbook. He does not see why they cannot send them every check that was sent to GTG or other contractors. There might be a check that was sent to settle a lawsuit which they would not be entitled to. To say they are not entitled to see every check that was sent to GTG when the amount of \$1,119,000 went to GTG, that is an insult, and that was just from the Accelerator. What was sent to them in response to their letter is an insult.

Chairman Brescia respectfully disagreed with Legislator O'Donnell. The IDA also sent a letter saying, they should get together and sit down, so all the facts are not being presented. There is no need for a special investigative committee. The IDA engaged a private auditor to look at their financials and their procedures. That auditor is scheduled to come to the next Education and Economic Development Committee meeting. It does not happen overnight when you ask an outside auditor to review your books. He is one of seven bosses of the Accelerator and the IDA. There is no county taxation. A lot of the money that comes through the IDA is money that comes through fees and other revenue sources. There are pilots and you can argue that it is county taxpayer money but if it were not for the pilots, they would not be getting a tenth of what they were getting for development of those IDA projects. Mr. Cozzolino makes about \$125.00 an hour. When the auditor comes to the meeting next month, he will explain the audit that he did, and he was sure everyone would be pleased with the results. The following month, if Chairman Ruskiewicz permits, the IDA can come in a meeting with the committee and explain the expenses of the Accelerator, referring to the pie chart that Mr. O'Donnell showed the Republican caucus the other night. The expenditures of the IDA and the Accelerator and the Funding Corporation are on vouchers that they vote on every month. The IDA votes on these expenses. It is being implied that the IDA is spending money willy nilly and wasting money. Legislators Vero, Cheney and Ruskiewicz see it in Warwick at the old Mid-Orange Correctional facility. Legislators Luján and Kulisek toured a few businesses in the City of Newburgh and five of them looked at the Zeal property. To create an investigative committee is insulting. They were originally asking for a forensic audit so of course they had to engage in an outside auditing firm. They can get a lot of testimonials from IDA clients, from AWOW, which Mr. O'Donnell thinks is a waste of money. He called Mr. Cozzolino recently to help out a hairdresser in Walden and he was able to expedite approvals for her through a lobbyist in Albany. He respects Mr. O'Donnell's opinion, but he needs to look at the other facts. The auditor will be in next month and provide facts, then the following month address the Accelerator report, and if Mr. O'Donnell still is not happy then they can dig even deeper.

Mr. Ruskiewicz stated that he knows Mr. O'Donnell mentioned several times that he wanted the IDA to attend the Education and Economic Development Committee meeting monthly. They voted on it twice and it was voted down both times. He was one of the ones who spoke out against it and he would do it again. They have the Economic Development Director, Bill Fioravanti, who reports monthly and he works with the IDA and other agencies in the county. He stated that with everything taking place right now, he was more than willing to bring the IDA in monthly until they get through a lot of these issues. After speaking with Chairman Brescia, the plan is to have the auditor in next month and the following month we will have the Accelerator. He agreed with Chairman Brescia that it was a premature to create an investigative committee right now. If we find that we are not getting the answers we want, then we can take it up then. For now, we should start to bring them in monthly and get these questions answered.

Mr. O'Donnell wanted to address the remark from Chairman Brescia saying that Mr. O'Donnell thought the Accelerator Without Walls was a waste of money because those words never came out of his mouth. As far as taxation, he said public funding. He and Chairman Brescia

had this conversation and he explained it after he said there was no taxation, he also said it is the money that comes in lieu of taxation. He also stated that they probably would not have these companies without that, and he is correct. However, some companies did come without it. Medline is a recent example of that because Medline is paying those taxes. The taxes that Medline is paying is coming directly to the county, to the town and to the state. If Medline took the pilot, they would have paid a fee to the IDA, that's how they get their fees. Their fees are directly related in some way to taxation, not necessarily county taxation, but it is tied to tax money from the schools, the county and the state so it is public funding. Chairman Brescia has defending the IDA more vigorously than he defended the authority of the Legislature just to get information, to simply look at a checkbook. He finds it disappointing. He also brought up the word forensic and noted that word was taken out because it implies criminal, so it never came to the public light. He does not care what type of audit is done, he just wants to see the checkbook. He wants to see where the money is going, nothing was put out to bid. He thought they spent \$600,000 on the Newburgh Accelerator. When they built out the Middletown Accelerator do you know where they got that money from, they got it from a grant, but he is told that \$600,000 went into the Accelerator in Newburgh. He was not invited to the tour last week but from what he heard, Mr. Cozzolino made a point of telling everyone, for every dollar the IDA spent there, the owner of the building spent an equal dollar. He would like to see those documents from the person who owns that building who actually spent dollar for dollar. This is not personal, not with Chairman Brescia, not with him, not with Mr. Cozzolino. He hired Ms. Villasuso, he encouraged her to get every type of document and every certification in economic development. He is happy she is where she is having a background in economic development. He wants to see the money and he would appreciate Chairman Brescia be as vigorous with them to open their checkbook so all of the Legislators can do their job. We want the ability to do our job, not have lawyers tell them they do not have the legal authority to do this. It is ridiculous. They are responsible to the taxpayers of Orange County and they have a right to see where all the money is, not to be stonewalled by some attorney up in Albany. If you divide \$1,119,000 by twelve months, it is a little less than \$100,000 a month that they have no idea what is going on with that money. He can count the minutes as to how many times the IDA came before them and he stressed that they failed as a Legislature in our oversight committee of the IDA. We are as much at fault as the IDA board who has failed in their oversight in having \$8 million disappear.

Chairman Brescia stated that he respected Mr. O'Donnell. They do not need a special investigative committee. He defends actions of the IDA just like how he defends the actions of the Legislature. When Mr. O'Donnell was the Director for the IDA and they did a lot of good things there that he defended him on. Let's have the auditor speak with us in February. He did not think it was necessary for the IDA or the Accelerator to come in every month, but that is up to the committee. If the Legislature asks for the IDA to cut back on expenses, they will consider that.

Mr. O'Donnell was unclear as to what Chairman Brescia meant when he stated that he defended him when he was the Director for the IDA.

Chairman Brescia explained that they were attacked many times by the Times Herald Record. He defended not just Mr. O'Donnell but himself and the whole IDA.

Ms. Bonelli stated that the conversation has excluded everyone except Chairman Brescia and Mr. O'Donnell. Chairman Ruskiewicz has not even seen this letter so to go back and forth and either defend or criticize the IDA based upon any action, we do not have the facts. To defer to Mr. Fioravanti to be the advocate for the IDA, that is not his job. The conversation is heated and personal and there is nothing to be gained by that. This is a very valid discussion but it should be a separate meeting.

Mr. Ruskiewicz agreed with Ms. Bonelli and noted that they are off track and no one has seen the letter. He planned to bring the IDA in next month and in the meantime, he suggested they have a meeting with a few members of the IDA and a few Legislators beforehand to discuss some of these issues.

On the motion of Mr. Cheney, seconded by Ms. Tautel, the meeting adjourned at 5:16 p.m.