

**EDUCATION AND ECONOMIC DEVELOPMENT COMMITTEE
MINUTES**

**FRIDAY, JANUARY 24, 2020
4:00 P.M.**

PRESENT: Paul Ruszkiewicz, Chairman
Barry Cheney, Joseph J. Minuta,
Rob Sassi, Kathy Stegenga, Laurie R. Tautel

ALSO

PRESENT: L. Stephen Brescia, Chairman
Katie Bonelli, Majority Leader
Leigh J. Benton, Legislator
Thomas J. Faggione, Legislator
Kevindaryan Lujan, Legislator
John S. Vero, Legislator
Antoinette Reed, Legislative Counsel
Harold Porr III, Deputy County Executive
Bill Fioravanti, Director, Economic Development
Conor Eckert, Economic Development Analyst
Deanna Crawford, Budget Analyst
Gretchen Riordan, Budget Analyst
James DiSalvo, Reappointee IDA/OCFC
John McCarey, Appointee IDA/OCFC

Chairman Ruszkiewicz opened the committee meeting at 4:24 p.m. by asking everyone to stand for the Pledge of Allegiance. All committee members were present with the exception of Legislators O'Donnell and Sierra who were absent.

Mr. Fioravanti introduced Conor Eckert, Economic Development Analyst, who displayed a power point presentation on Innovate Orange: Technology Strategy for Orange County and the Hudson Valley Orange County Office of Economic Development (see original minutes).

Mr. Fioravanti provided a monthly update on Economic Development (see original minutes).

Ms. Tautel moved the request for a resolution for the appointment of John McCarey to the Orange County Industrial Development Agency and the Orange County Funding Corporation, seconded by Ms. Stegenga.

Mr. Brescia stated that everyone is familiar with Mr. McCarey's background. He noted that he has been involved in many of the big PILOTS with the IDA.

Mr. McCarey commented that with his knowledge and all his experience he feels he will be a valuable member to the board.

Ms. Tautel stated that she worked with Mr. McCarey for years, before she was a Legislator. To keep his knowledge in the county no matter what shape or form, is valuable to everyone.

Chairman Brescia added that there were some concern about Mr. McCarey being recommended since he may do contractual work for the county and if he does, he will most likely be doing work on the reservoirs, the quarry and other projects that do not require a PILOT. There might be a few situations where he will need to recuse himself.

Mr. Minuta shared that he has known Mr. McCarey for a long time and reached out to him often throughout the years, especially when it came to PILOT Programs and IDA money. He is an invaluable resource and the level of knowledge he has is supreme in the county.

Motion carried. All in favor with the exception of Mr. Sassi who abstained as he and Mr. McCarey work for the same private real estate company.

Mr. Minuta moved the request for a resolution for the reappointment of James DiSalvo to the Orange County Industrial Development Agency and the Orange County Funding Corporation, seconded by Ms. Stegenga.

Chairman Brescia stated that mostly everyone knows Mr. DiSalvo. He served four years as a Legislator and has been a very active part of the IDA over the last two years. He has delved into quite a few projects with Ms. Villasuso and Mr. Cozzolino.

Mr. DiSalvo stated that they are doing a lot of good things and the IDA is essential, especially in New York State. Many of the projects that the County Executive's Office talks about, he does not think would be possible in the county without the IDA incentives. Those incentives are crucial to bring big companies in.

Motion carried. All in favor.

Ms. Tautel moved the request for a resolution for the reappointment of L. Stephen Brescia to the Orange County Industrial Development Agency and the Orange County Funding Corporation, seconded by Ms. Stegenga.

Chairman Brescia stated that he served eighteen years on the IDA. His appointment is a two-year appointment. He has enjoyed his time on the IDA, they have quite a few economic projects for the county that they enticed to come in. They are up to date with reporting, and received a lot of F.O.I.L.S. He would appreciate if more Legislators went out to the Accelerator and the IDA to understand how the IDA works. Some of the big businesses that come in might not need a PILOT, but many of them do and some will not come here without a PILOT. They get a lot of criticism from the Times Herald Record and a local senator about what they do. In twenty-five years he never saw that senator at an IDA meeting and he wished he understood IDAs a little better. There are situations where they made mistakes, everyone makes mistakes, but they have done a lot

in the community and have done a lot for project expenditures in many districts. Legislators Cheney and Ruszkiewicz can tell you all that the IDA did for CPV by the Warwick complex and also the work the IDA did for the Armory in the City of Newburgh. He added that the IDA has done more for the City of Newburgh than any other municipality in Orange County. They have done so much in the City of Middletown, the projector and the film festival, the Heritage Trail, although very controversial but it ended up being \$1 million which was approved through the Funding Corporation. There are no exemptions for special district, water district, fire districts or land, etc.

Mr. McCarey shared that MediaCom in Blooming Grove almost did not happen and they almost ended up in Mahwah, New Jersey. Within 72 days they got them set up with the IDA.

Chairman Brescia pointed out the LEGOLAND has a 22 year PILOT but it will be a savings of \$8 to \$9 million in sales tax which is huge. He mentioned that the Accelerator is presently working in Highland Falls.

Ms. Tautel stated that she was not totally opposed to IDA tax breaks. She was opposed to one particular project because of her concern when she spoke to the financial director for the school district. She needs to provide a worksheet for impact aid they get from the federal government and how the tax break could potentially impact it. That was her only question on that, and she did not have the answer at the time she addressed the issue at the hearing in Highland Falls.

Mr. McCarey explained that the only problem on the state level with the PILOTS is if you have a PILOT that goes up 10% each year the value of the increase does not reflect on the total assessed value until the end. There is a lack of knowledge in some school districts because they receive the PILOT money, but they treat it separately from their budget. There needs to be more uniformity.

Ms. Tautel explained that the impact aid is a little different because it does not come from the state, it comes from the federal government and they had to fight to get it. Former Legislator Roxanne Donnery was very instrumental in getting the aid. They continue to fight for the money annually for their school district.

Mr. Sassi asked what the IDA has done to help educate the public. New York is top five tax state and number one or two in exodus in population. How do you attract businesses to get the word out so that the public knows this is not throwing money away, school districts are receiving money. The IDAs are in place to attract business and stabilize the tax base. The rules are in place statewide.

Mr. Brescia noted Mr. Sassi made a good point. They used Focus Media for some positive press releases. They should go on the road and go to some rotary clubs. They could hire someone to do the presentations and explain all the positives and how IDAs work, the community benefits and the PILOTS.

Mr. Minuta mentioned that when he was on the school board for the Town of Newburgh, no one understood how taxes work. He did not until he took a course with Mr. McCarey years ago. He had the tax assessor for the Town of New Windsor come in to explain to the school board and the constituents who came, how taxes work, how the IDA works and how the incentives work. It makes no sense because it is a levy and we are used to making money in profit, but this is

opposite because you must have a levy and the bases are distributed throughout the county. To educate the school boards on that topic would benefit the IDA. Mostly because that is where a lot of the push back comes from, the school boards. It also depends on the request because some applicants are looking for thirty-year PILOTS which is too much. The school boards need the education from the IDA.

Motion carried. All in favor.

On the motion of Ms. Tautel, seconded by Ms. Stegenga, the meeting adjourned at 5:02 p.m.