

**Town of Montgomery Industrial Development Agency Meeting Minutes
Town Hall
110 Bracken Road
Montgomery, NY 12549**

**October 10, 2023
1:00 PM**

PRESENT:

John Dickson - Acting Chairman
J. Thomas Jones- Second Vice Chair
Matt Stoddard – Treasurer
Robert Santo – Member
George DeClue – Member
Felicia Kalan – Executive Director TOMIDA
Lauren Rowley- Secretary TOMIDA
Jose Rojas – Livestream Services (Acquisitions Marketing)

ABSENT:

NOTE: Conference Call Line – Keith Hunter, Hunter Insurance (MIDA Insurance Broker)

AGENDA

1. Call to Order and Declaration of Quorum
 2. IDA Board Officer Election- Chairman & Vice Chairman, Second Vice Chairman
 - Chairman Jeffrey Crist, Resignation Letter
 3. Approval of the September 12, 2023 Meeting Minutes
 4. Public Comment on Items on the Agenda
 5. Project Update - Milk Factory, LLC
 6. Executive Director's Report
 7. Financial Report
 8. Procurement Request Discussion and Consideration for Approval
 8. Other Business
 - Hudson Valley Country Club Insurance Requirements
 9. Adjournment
-

Meeting

1 - Acting Chairman John Dickson began with the introduction of Board Members and other members in attendance. A quorum was present.

2 - Acting Chairman John Dickson read the resignation letter of former Chairman Jeffrey Crist effective Wednesday, September 13, 2023 and stated that an election to fill the vacancy position was needed. John Dickson stated he would like to fill the Board Chairman position, and that would also leave vacancies for the Vice Chair and Second Vice Chair positions and presented J. Thomas Jones for the position of Vice Chair and nominated George DeClue for the second Vice Chair position.

Motion to appoint John Dickson as Chairman was made by Robert Santo, seconded by George DeClue. A vote was taken by roll call.

J. Thomas Jones – Aye
Matt Stoddard – Aye
John Dickson – Aye
Robert Santo – Aye
George DeClue – Aye

Nomination accepted.

Motion to appoint J. Thomas Jones into first Vice Chair, Matt Stoddard made the motion, seconded by Robert Santo. A vote was taken by roll call.

J. Thomas Jones – Aye
Matt Stoddard – Aye
John Dickson – Aye
Robert Santo – Aye
George DeClue – Aye

Nomination accepted.

Motion to appoint George DeClue into second Vice Chair, nomination made by J. Thomas Jones, seconded by Robert Santo. A vote was taken by roll call.

J. Thomas Jones – Aye
Matt Stoddard – Aye
John Dickson – Aye
Robert Santo – Aye
George DeClue – Aye

Nomination accepted.

3- Meeting minutes from the September meeting were approved. John Dickson abstained since he was not in attendance at the September meeting.

4 – Public Comment on Agenda Items

Don Berger- Hello everyone, I felt that I had to come here today with the resignation of Jeffrey Crist. I wanted to say something about that. Most of the board members that were here know that with all the IDA things going on at the time we had a lot of people here, one thing that held true was Jeff really held a proper decorum for the IDA meetings and appreciated everything he did. I was hoping he would be here today so that he could hear me say that, I appreciate all the years and the work he has done, especially during a tough time.

The other thing that I'd like to talk about with the Milk Factory, Noah isn't here today. I've said it at another meeting, myself and my group (Residents Protecting Montgomery) are in full support of the Milk Factory PILOT, it's everything we desire in our community. Back then, we talked about the reuse needs, and I even talked to the Executive Director to open up that adaptive reuse schedule even more. You chose not to do that, and that's fine.

John Dickson- Thank you Don. Seeing no other public comment, we can move on to the next item.

5- Executive Director Felicia Kalan gave updates on the Milk Factory, LLC project. She stated that the project stalled at the planning board with an ODOT issue and stated we needed SEQR determination before we can take action and before the MIDA Board can vote on the project. It was also stated that they need to do a new application with updated costs that have gone up.

J. Thomas Jones asked if Felicia Kalan knew what the planning board schedule was for the project. Felicia Kalan indicated there was no set schedule as we are waiting on ODOT final approval.

6- Felicia Kalan gave her Executive Director report to the board. (Document attached.)

J. Thomas Jones asked where the MIDA stands as far as MIDA policy regarding PILOTs for cannabis facilities.

Felicia Kalan stated that it's a policy the Board will need to come up with and vote on, however there are some restrictions at the state level. The Orange County IDA did approve a PILOT for a cannabis grower in the Town of Warwick Urban Xtracts, so it has been done.

J. Thomas Jones asked that we put it on an MIDA agenda sooner rather than later to discuss policy surrounding cannabis. Especially because there is a high probability they will be expanding.

Felicia Kalan indicated that at this point, we are just educating ourselves and there are many nuances.

Robert Santo asked if Aspire Brewing is another brewery or another store.

Felicia Kalan stated that it's in Middletown and it is a brewery, there is also a golf simulator. It is also an entertainment facility and is an actual brewery and restaurant.

7- Matt Stoddard read the monthly Financial Report (Document attached).

J. Thomas Jones made a motion to accept Financial Report seconded by Robert Santo. A vote was taken by roll call.

J. Thomas Jones – Aye

Matt Stoddard – Aye

John Dickson – Aye

Robert Santo – Aye

George DeClue – Aye

Motion accepted.

8-John Dickson stated for Hudson Valley Country Club, LLC as part of the closing documents, we had requested insurance documentation and workers compensation certificate. We confirmed that the MIDA has a 10 million in insurance protection under the Town's policy, so we are covered in the event of a lawsuit. The Hudson Valley Country Club, LLC has a 1 million policy and our insurance agency recommended that we request the applicant have a 2 million policy, our larger scale projects have a 5 million policy, such as Amazon.

Felicia Kalan stated that Keith, the insurance broker, is available by phone if needed.

Ashley Torre stated that a 5 million umbrella is usually required, but since this is a different type of project than we are used to seeing, big concerns are usually with labor law claims that would be asserted by a subcontractor. We spoke with Keith, and he thought it would be acceptable to be lowered from 5 to 2 million in this circumstance and coming up with a range of coverage to have set amounts moving forward and involve Keith early on as well.

J. Thomas Jones- can you speak to why the MIDA would be liable in a situation like this?

Ashley Torre said because of a leasehold interest, in the event the MIDA is named in a claim because of a leasehold interest.

J. Thomas Jones asked for clarification.

Ashley Torre stated this is a lease, leaseback agreement even for sales tax exemption only.

Matt Stoddard asked if there was an accident, if we would be liable.

Ashley Torre stated not necessarily because there is a hold harmless agreement made as well, but that it's just to make sure there is adequate insurance by the developer, and we have liability insurance.

Felicia Kalan said that yes, we do have liability insurance as an agency as well. Felicia Kalan recommended we call Keith by phone.

Keith Hunter over the conference line explained the 5 million insurance umbrella requirement, as part of the package to the Town, covers the IDA and all Board Directors. If a public or private citizen sued the Board, you are covered by general liability insurance of 10 million, not a likely occurrence but would cover the MIDA. Regarding the Hudson Valley Country Club, the requirements are derived from the MIDA standard contract for projects, embedded in that are basic requirements by law they have to have workers compensation insurance, required by State law. There is no NY State law that says you have liability insurance, but it's the prudent thing to do- it states that we have to have at least 1 million in liability insurance. We also have to be named additionally insured as well, and liability coverage helps in the event of a lawsuit in case of their negligence at the job site so they share their insurance policy with us to cover any event of a lawsuit- so that 1 million is not enough in a large claim that exceeds 1 million.

Matt Stoddard asked a clarification question if after the 1 million, the MIDA would be liable.

Keith Hunter stated that yes, that's why we want to increase umbrella coverage. The big exposure is an employee of a subcontractor getting an injury, unique labor laws in New York that workers can go beyond the worker's compensation only and sue the property owner and any involved parties, which creates a liability issue.

Matt Stoddard asked what Keith Hunter would recommend for the project.

Keith Hunter stated that it's not a huge exposure because of retrofitting and that typically the MIDA requires 5 million.

J. Thomas Jones asked for Ashley Torre for three years, if we are liable for even if a golfer or someone visiting the property could also sue the MIDA.

Ashley Torre said that potentially yes, that could be the case.

J. Thomas Jones, because we will have a leasehold interest for three years, could you give us the number of coverage for a regular golf course

Keith Hunter stated that usually they will have 1 million for general liability but because there is construction involved, that's why it's important to go beyond that.

Felicia Kalan asked for clarification that the workers compensation was submitted, and for the umbrella which Keith had recommended, it sounded like 2 million would be sufficient, we felt that it would be best to bring everyone into the conversation, so that's what they need to vote on today.

Keith Hunter stated that most of what is being funded is mostly for construction equipment and golf course equipment, so if we are leasing the property then we have an ownership interest in that although very unlikely.

Felicia Kalan stated that any extension on the umbrella insurance is a very large cost to the applicant.

John Dickson asked if Board could provide feedback.

Felicia Kalan clarified that the 2 million umbrella extension is a decision the Board has to make today to close- a 2 million umbrella.

J. Thomas Jones said we do need to protect the Town, and if 2 million felt more appropriate than that's what we should vote on.

John Dickson said that in the future, we should put language in to make sure we address insurance requirements.

Matt Stoddard asked if we have to vote on this item today.

Felicia Kalan clarified if we want to close, we do have to make some action on it.

Ashley Torre stated that we don't need a formal motion, we just wanted to find out everyone's general consensus.

Matt Stoddard stated he wanted to know what the 2 million umbrella would cost the applicant.

Felicia Kalan, somewhere between \$10-15,000.

J. Thomas Jones stated that if 1 million exposes us, we should extend to 2 million.

John Dickson stated that he felt that 2 million umbrella would be adequate and asked if other Board members could give feedback as well.

Felicia Kalan said that she could call Keith again. Felicia asked if Keith could give us an estimate of what it would cost to the developer.

Keith Hunter said it would depend, however it would be somewhere between \$10-20,000.

A roll call vote was made to require a 2 million umbrella for the Hawkins Drive, LLC project.

J. Thomas Jones – Aye

Matt Stoddard – Aye

John Dickson – Aye

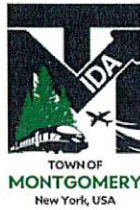
Robert Santo – Aye

George DeClue – Aye

Motion accepted.

9- John Dickson called to adjourn the meeting. A motion was made by Robert Santo, which was seconded by George DeClue. All board members were in favor, none opposed. Motion accepted

These minutes were transcribed by Lauren Rowley, Secretary of the Montgomery IDA.



Executive Director Report

This report highlights the ideas, efforts and actions taken by executive staff since the last MIDA Board meeting on September 12, 2023.

Meetings & Events:

9/13: OC Partnership Quarterly Project Meetings at Aspire Brewing in Middletown

- Toured Aspire Brewing and met owner Sonny Patel (also owns Beer World franchise) , interested in doing other projects in the area

9/13: Toured Flowerhouse along with local government officials and Randi P. from Business Council, they grow recreational cannabis and send to the 23 “dispensaries” or legal places to buy around New York State

- 40 acre property growing near Walkkill River (next to Milk Factory) in Walden, also “warehouse” distribution facility on 17K
- Hot button topic, projected to be an 80 billion industry- cannabis industry” to preserve farmland in the Town of Montgomery.

9/15: Orange County Economic Development Summit

- Main topics centered around “placemaking”, tourism and the film industry growth in Orange County. “If people come to “play” they will come to “work” and then come to “live. The concept was essentially building up tourism/restaurant/retail is essential in economic growth planning. Orange County attraction video launched (shared with Board members).

9/20: Attended the “Seed to Market Summit” by Orange County Partnership hosted in Warwick, toured the former state prison that was transitioned to a Corporate Park, in partnership with the Orange County IDA and Warwick Supervisor Michael Sweeton- major tenant there is Urban Xtracts

9/22: Agribusiness Tour with Vision Hudson Valley, and several local community organizations. We toured several farms and talked about the 3% retail transfer tax on commercial and residential properties they are pushing the Town of Montgomery to opt in to to help farmers preserve their land. It's essentially a “fund” administered by the Town- it would have to go through Town Board/State.

10/3: Attended Orange County Partnership Investor Breakfast honoring Kelly from Naughton & Torre.

- Potential opportunity/demand for studio space for film industry in partnership with the County
- Spoke with Dennis Lahey, Maybrook- 1 million sq ft of manufacturing space former Galaxy, Village applied for FastNY grant to improve surrounding road/access- setting up follow up meeting with Mayor Lahey with Chairman Dickson & myself

Business Development:

- **9/14:** Met with Markstone Group, interested in doing a Senior Housing Project, potential mixed-use in the Town of Montgomery; currently, the only site zoned for senior housing is the Village of Walden, we need to look at a potential rezoning in partnership with the Town Board.
- **9/26:** Touch base with City Winery, LLC in Village of Montgomery, they are going to be applying for PILOT exemption on an expansion project at their current location (exemptions wouldn't apply to anything currently built, only on expansion).
- Sent excel sheet of prospective projects to all IDA Board members with developer contact information

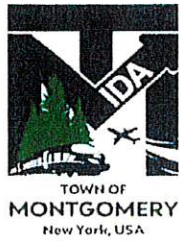
Misc/General Updates:

- Helping facilitate the transition of John Dickson onto the TMIDA bank account, and transition Jeffrey Crist off, he had a debit card that has been turned in.
- Interviews are ongoing for board replacements- so far we have interviewed three interested parties, and will have our next interview on Friday, October 6. The Town Board will most likely make the appointments at the October or November meeting.
- Wrapping up closing documents for Hudson Valley Country, set to sign sometime next week waiting to hear back. Matt called to speak about the local labor monitoring protocol and looking at a local company, he's sending me details.
- Weekly Quickbooks updates
- Working on an excel spreadsheet so everyone can keep track of potential projects/status and contact information:
<https://docs.google.com/spreadsheets/d/1YrB6gQHey2aazoRowQgGFe2KIVxMk53yRUj7poex9-l/edit#gid=0>

Pending Projects Status Update:

- Hudson Valley Country Club- final closing, local labor monitor Fellenzer Engineering
- Hawkins Drive, LLC- like to have public hearing in December
- KCE, NY 2- will come back to IDA in November, pushed back again
- Milk Factory, LLC- updated application received, final vote to be at November meeting

**TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY
110 BRACKEN ROAD
MONTGOMERY, NY 12549**



**Monthly Statement
9/30/2023**

PUBLIC FUND MUNI (3366)

Orange Bank & Trust

Checkbook Beginning Balance from last report----- \$ 17,068.40

ADD

Deposit-----

\$ 17,068.40

CHECKS

1829 Acquisitions Marketing--6/4 meeting live stream----- \$ 1,050.00

1831 Business Council of Greater Montgomery----- \$ 500.00

\$ 1,550.00

Checking Account Balance

\$ 15,518.40

SAILFISH ESCROW ACCT (8008)

Checkbook Beginning Balance----- \$ 3,215.00

ADD

CHECKS

Checking Account Balance

\$ 3,215.00

KEY CAPTURE ENERGY (4109)

Checkbook Beginning Balance \$ 1,840.00

ADD:

CHECKS

Checking Account Balance

\$ 1,840.00

CITY WINERY ESCROW (4112)

Checkbook Beginning Balance \$ 2,160.00

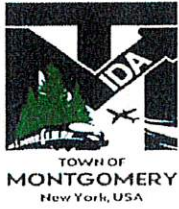
ADD

CHECKS

Checking Account Balance

\$ 2,160.00

**TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY
110 BRACKEN ROAD
MONTGOMERY, NY 12549**



Monthly Statement
9/30/2023

Pg 2 Cont.

MMDA MUNICIPAL (4593)

	Checkbook Beginning Balance	\$	502,672.07
<u>ADD</u>	Interest-----	\$	339.48
		\$	339.48

CHECKS

\$ -

Checking Account Balance **\$ 503,011.55**

HUDSON VALLEY COUNTRY CLUB (3062)

	Checkbook Beginning Balance	\$	2,800.00
<u>ADD</u>			

CHECKS

Checking Account Balance **\$ 2,800.00**

PUBLIC FUND- BANK CARD (2940)

	Card Balance-----	\$	3,995.33
<u>ADD</u>			

WITHDRAWAL

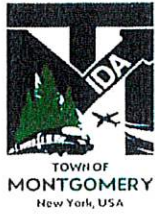
9/1/2023	QB Intuit subscription-----	\$	32.44
9/1/2023	Google--subscription-----	\$	175.16
		\$	207.60

Checking Account Balance **\$ 3,787.73**

ESCROW ACCOUNT FOR HAWKINS DRIVE (3127)

	Checkbook Beginning Balance	\$	5,000.00
<u>ADD</u>	Deposit-----		

Checking Account Balance **\$ 5,000.00**



TOWN OF MONTGOMERY
INDUSTRIAL DEVELOPMENT AGENCY
110 BRACKEN ROAD
MONTGOMERY, NY 12549

Monthly Statement
9/30/2023

Pg 3 Cont.

	9/30/2023		8/31/2023	
Orange Bank & Trust (3366)-----	\$ 15,518.40	\$	17,068.40	\$ (1,550.00)
Orange Bank & Trust - Sailfish Escrow Acct (8008)-----	\$ 3,215.00	\$	3,215.00	\$ -
Orange Bank & Trust Key Capture Energy Escrow (4109)-----	\$ 1,840.00	\$	1,840.00	\$ -
Orange Bank & Trust City Winery Escrow (4112)-----	\$ 2,160.00	\$	2,160.00	\$ -
Orange Bank & Trust Money Market (4593)-----	\$ 503,011.55	\$	502,672.07	\$ 339.48
Orange Bank & Trust Hudson Valley Country Club (3062)	\$ 2,800.00	\$	2,800.00	
Orange Bank & Trust-Public Fund Bank Card (2940)-----	\$ 3,787.73	\$	3,995.33	\$ (207.60)
Orange Bank & Trust - Hawkins Drive Escrow (3127)-----	\$ 5,000.00	\$	5,000.00	\$ -
TOTAL	\$ 532,332.68	\$	533,750.80	\$ (1,418.12)