



Empowering Businesses. Inspiring Growth.

Robert T. Armistead, Chairman • **Mary Ellen Rogulski**, Vice Chairman • **Russell O. Vernon**, Second Vice Chairman • **Stephen Brescia**, Secretary • **John Steinberg, Jr.**, Assistant Secretary • **Henry VanLeeuwen** • **Robert J. Schreibeis, Sr.**
James R. Petro, Jr., Executive Director • **Laurie Villasuso**, Associate Executive Director •
Kevin Dowd, Attorney • **Joel Kleiman**, Chief Financial Officer

Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on August 6, 2014 at 2:00 p.m. in the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York, to consider and/or act upon the following:

Order of Business

- **Roll Call**
- **Approval of the minutes from July 10, 2014 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - Chairman's Report
 - Executive Director's Report
 - OCBA Report
 - OCP Report
 - WSJ Ad Campaign
 - Discussions
 - Center for Global Advanced Manufacturing – Update
 - OCCC – Regranting Discussion
- **Shovel Ready Program**
 - Presentation – Ryan Development/Medical Mile Complex
- **Resolutions**
 - Danskammer Energy, LLC – Initial Resolution
- **Such other and further business as may be presented**
- **Public Comments**
- **Adjournment**

Dated: July 31, 2014

Stephen Brescia, Secretary

By: James R. Petro, Jr., Executive Director

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

July 10, 2014

A regular meeting of the Orange County Industrial Development Agency was convened in public session on July 10, 2014 at 2:00 P.M. at the Orange County Executive Office in Goshen, New York.

The meeting was called to order by the Chairman, Robert Armistead, and upon roll being called, the following were:

PRESENT: Robert Armistead, Mary Ellen Rogulski, Henry VanLeeuwen, Robert Schreibeis, Russell Vernon

ABSENT: Stephen Brescia, John Steinberg

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Associate Executive Director
Joel Kleiman – Chief Financial Officer
Russell Gaenzle – Harris Beach, PLLC
Harry Porr – Orange County Executive's Office
Barry Cheney – Orange County Legislature
Brian Gates – HVEDC
Maureen Halahan – Orange County Partnership
Bill Fioravanti – Orange County Partnership
Michael Sweeton – Town of Warwick Supervisor/Warwick Corp. Park
Allan Ross – Warwick Valley Office & Technology Corporate Park
Bill Madden – Focus Media
James Walsh – Times Herald Record
Dave Church – Orange County Planning
Craig Marti – Barton & Loguidice
Mayor Kelly Decker – City of Port Jervis

Chairman Armistead calls to order the regular meeting for the Orange County IDA, July 10, 2014 (Pledge of Allegiance is recited). Board consists of five members. There is a quorum.

Review of the prior June 12, 2014 meeting minutes. Motion made by VanLeeuwen, seconded by Rogulski, to approve the minutes as presented. Motion carries all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman asks the members to refer to schedule of Bank Accounts as of June 30 2014. As of 6/30/14, the IDA has just over \$7.8M, and the OCFC has over \$820K. He notes that he is looking into other instruments in which the IDA/OCFC can invest. Mr. VanLeeuwen notes that there are rumors of Provident/Sterling leaving the area. Mr. Kleiman advises that he has been assured there will be no closures in the near future, however, he will stay on top of the situation. Mr. Vernon asks Mr. Kleiman to remove the closed CDs from the report going forward.

Moving on to address the Income and Expense summary, Mr. Kleiman advises that the report shows a negative \$411K in fees, due to a reversal of an accrual. Once the IBM check is received – which is anticipated by the end of the month – the revenue position will be positive, and revenues will exceed expenses. Year to date, expenses are \$303K. Addressing the OCFC Income and Expense summary, the revenues exceed expenses by \$60K.

Mr. Kleiman also notes that JGS will begin the additional audit of 2.5 years of IBM payments. The engagement letter has been signed, and Ms. Villasuso has reached out to IBM to advise them that the process will begin. He also notes that he, Ms. Villasuso and Mr. Petro will prepare a draft budget for 2015 and meet with the Audit Committee before August's meeting. The state requires that the budget be submitted no later than November 1, 2014, and beginning the process now allows for any revisions the Board may deem necessary.

Lastly, the IDA received \$50K in June, and will process \$81,896.90 in payments.

Motion made by VanLeeuwen, seconded by Schreibeis, that the Board accept the financial reports and authorize IDA payments and vouchers for July 2014. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead asks for the Executive Director report.

Executive Director Report

Mr. Petro advises that he and Ms. Villasuso attended a Start Up NY meeting with Mr. Gates in early July. Mr. Gates notes that SUNY requested a few documents to have the Business Accelerator included in Start Up NY, one of which was a Memorandum of Understanding, to file with their application in August. Mr. Vernon asks if there are fees involved in the Start Up NY application, and is advised that there are no major funding requests tied to the application.

Mr. Petro distributes a copy of the Memorandum of Understanding, as prepared by Mr. Gates, between the Orange County Business Accelerator and SUNY. The MOU simply describes the relationship between OCBA and SUNY, for purposes of being included in the Start Up NY program. Mr. Petro asks that the members review it prior to his signing the document.

Motion made by VanLeeuwen, seconded by Schreibeis, to authorize Mr. Petro to execute the MOU. Motion carries with all in favor.

Mr. Petro goes on to note that he and Ms. Villasuso recently had a meeting with representatives of Danskammer, along with members of the Town of Newburgh and Deputy County Executive Wayne Booth. He describes the basics of the Danskammer request, and advises that the Town is working directly with Danskammer at this time, and will come back to the IDA when they have agreed upon a PILOT that works for both parties.

Ms. Villasuso then advises that she spent a week in Albany at the Basic Economic Development, and goes over some of the highlights of the course. At the end of the course, she earned a certificate for her studies. She goes on to remind the members that next month meeting has been rescheduled to take place on the 6th, and will be held at the Business Accelerator at 2:00.

OCBA Report

Misters Gates and Madden go over the recent marketing efforts of the Accelerator. Mr. Madden begins by noting that a distinguished seminar series will kick off on July 30th. Presenters at the initial function will include Michael Oates of Hudson River Ventures, and Holly Perlowitz of Community Capital New York. He also notes that a White Paper debuted on the website, as well. He goes on to highlight the Pay Per Click campaign, in which OCBA invests \$500 per month. Last month, the campaign drew 85 clicks and over 120K impressions. In addition, there is continued follow up on the interest in the Accelerator from the 5th Anniversary celebration. Mr. Madden fields some questions from the members regarding the Pay Per Click campaign, and advises that he'll provide the members with the industry standard on how many clicks they should expect from the campaign.

Mr. Gates offers a client update, as well as an update on the interest in the Accelerator. Addressing Start Up NY, Mr. Gates notes that MSMC recently applied to Start Up NY to have an incubator in Newburgh. He reminds the Board that the plan still has to be approved, but that the application was made.

Mr. Petro mentions that, at the Start Up NY meeting, the discussion turned to the \$55K that SUNY pays back to the IDA every year. It was noted that the line item in the college's budget is unfunded. Being that the original funds were extended to the college with the thought that the programs they created that would generate income, Mr. Petro notes that it seems counterproductive to ask for the money back; repaying the IDA creates a loss for the college, and that was not the spirit intended in the original transaction. Chairman Armistead asks that Dr. Richards attend the August meeting.

OCP Report

Ms. Halahan begins by thanking the Board for their forward movement on the Shovel Ready Program policy, and adds that the Orange County Partnership will work hard to promote the program.

Addressing Expansion and Retention, Ms. Halahan notes that the potential for new and retained jobs is just under 500, and goes on to summarize the numerous projects looking to expand in Orange County. She also briefs the Board on the CFA process so far. Discussing grand openings on the horizon, she notes that Coach is up and running, and reminds the Board that it was instrumental in the project's success.

Mr. Fioravanti begins the attraction overview by noting that he, and some Goshen Planning Board members, were able to visit the Amy's Kitchen site in California last month, and shares that all of the attendees were impressed by the Amy's operation. Moving on to address some recent attraction highlights, he notes that there has been a lot of activity in the past few months, and that Orange County is on the short list for a number of prospective projects.

Mr. Petro notes that the common thread running through every meeting he and Ms. Villasuso have attended is that the 15 Year PILOT is becoming more and more important to attract businesses. He believes that, to stay competitive, the IDA, and the local municipalities, should be more open to the 15 Year and, eventually, maybe a longer term PILOT.

Port Jervis Whitewater Update

Mayor Decker distributes paper copies of updates of the Whitewater Park to the Board. He reminds the Board that the project promises, not a water park, but a modification of the river to create fishing pools, rapids, and kayaking sections for use by the public. The initial figures – prepared before Mayor Decker took office – stated that the project could create \$10-30M in increased tourism revenue, as well as a total multiplier of 150K jobs. While he doubts the sheer volume of promised jobs, he does agree that the project will ultimately create jobs and revenue for the City of Port Jervis and the County as a whole.

The IDA contributed \$55K, in the form of a project expenditure, to help with permitting and studies. During those studies, a survey revealed a mussel issue in the river. As a result of the mussel survey, the park's area was decreased to avoid the area containing mussels. The upper feature is set to be removed from the scope of the project. The resulting feature will cover approximately one quarter of a mile in the Delaware. Mr. Church adds that a somewhat similar, existing park near New York City is incredibly popular, and packed with visitors.

Chairman Armistead notes that, when the project first came to the Board, it was reported that Idaho and Colorado boast very successful whitewater parks. He reminds the room that the multiplier from the project is an essential part of the benefit to the City and County. Mayor Decker notes that the project is not requesting funds, only updating the Board on the progress of the park.

Mayor Decker then summarizes some of the benefits of Port Jervis, and some plans to promote the City further. Commissioner Church notes, in addition, that the original IDA funds were leveraged for a CFA state grant, which should cover the remaining costs of design and permitting.

Warwick Valley Office & Technology Corporate Park

Supervisor Sweeton offers some background on the site: The site is the former Mid-Orange Correctional Facility, which is 733 acres. The state announced the closure in July of 2011 and closed the facility in November 2011. Supervisor Sweeton took ownership of the property almost 2 years to the day of its closure, and his goal is to have the site fully built and occupied in less time than it took to take ownership of the facility. The site is owned by an LDC, formed with local business people in Warwick and around the County. Fifty acres of the site are preapproved for 10 shovel-ready sites, with a total of 850K square feet of available space. There has been a great deal of interest in the site, which he believes is a result of the aggressive marketing campaign.

Those shovel-ready sites have been approved, but in order to make them especially ready, and attractive, to developers, Supervisor Sweeton would like to construct the road – and along with water, sewer and utilities – that links the space to the main road in Warwick. He details the utilities in and around the site, and advises that his goal is to construct the road and utilities by the end of the year. The estimate for the road, storm water facilities and utility extensions comes to roughly \$1.5M. Supervisor Sweeton believes the costs can be refined further to approximately \$1.2M. Because of the anticipated CFA grant in the amount of \$300K and the \$250K already committed by the LDC,

the Supervisor's request is for \$1M. He notes that the request of \$1M is $\frac{2}{3}$ of the original \$1.5M estimate, and adds that, should the cost come in at \$1.2M or lower, his request of the IDA would be $\frac{2}{3}$ of that amount.

The LDC will sell the lots, and due to their structure, any amount over and above its commitments – to repay or reinvest – must remain in the community, to the benefit of the community. In addition, the Town is committed to getting developers and businesses into the sites; they may even be able to offer building permits within a week. But to get that kind of interest in the site, they need the road. He goes to describe the types of industries that would be well suited for the site. He notes, as well, that the site has never been on the tax roll, and this project would place the site on the roll.

Shovel Ready Program

Mr. Schreibeis advises that the Governance committee met to discuss the Shovel Ready Program policy, and recommends its approval with a minor change. He asks Mr. Gaenzle to explain the changes. Mr. Gaenzle advises that the change to the policy is the removal of the "Site Selection Criteria" section. The criteria was determined to be unnecessary, and limiting in its nature. Chairman Armistead notes that the decisions are still in the Board's discretion. In addition, "priority growth area" will be removed from the last page, and he will add verbiage indicating that no ground leases will be permitted.

Motion made by Vernon, seconded by VanLeeuwen, to accept the Shovel Ready Program policy with the suggested revisions. Affirmative votes of all members present resulted in motion carried.

Mr. Petro asks what Supervisor Sweeton's next steps are. Ms. Villasuso notes that she and Mr. Gaenzle will work on preparing an application form, based on the just-adopted policy. The fees for the program will be worked into the application as well, and those fees will be paid upon sale of parcels. The members discuss the structure of the fees – a \$5K application fee and 2.5% of the amount requested – and confirms that they will be paid upon sale of the property.

CRH Realty VIII, LLC – Supplemental Final Resolution

Mr. Gaenzle advises that some recent changes to the CRH Realty VIII project – on Route 300 in Newburgh – have resulted in the adjustment of some of their figures. Ms. Villasuso notes that layout of the building changed from a 3 to a 2 story design, and an MRI unit was added to the facility. The changes resulted in an increase in purchases and project cost.

Mr. Dowd reads aloud CRH Realty VIII, LLC supplemental final resolution. Motion made by VanLeeuwen, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Executive Session

Motion made by Rogulski to enter executive session discuss the credit, financial or employment history of a particular corporation. Motion seconded by Schreibeis. All in favor.

Executive Session

The members discussed a particular corporation.

End of Executive Session

Motion to close Executive Session made by Schreibeis, seconded by VanLeeuwen. All in favor. No action taken in Executive Session.

Such other and further business as may be presented

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Schreibeis, seconded by VanLeeuwen, the time being 4:36 p.m.

Program spurs entrepreneurs

OC Business Accelerator hatches ideas

By James Walsh

Times Herald-Record

Published: 2:00 AM - 07/19/14

NEW WINDSOR — Ezra Kuliszewski and Kevin Ilejay are busy hatching their brainchild at the Orange County Business Accelerator.

The SUNY Orange students and their teams of classmates are the first enrolled in the business incubator's Summer Sandbox, a three-month-long program that began in June to encourage the entrepreneurial spirit.

Kuliszewski, a dispatcher for Orange County 911, and an EMS supervisor in Lords Valley, Pa., wants to launch a business called Life Savers Training to offer cardiopulmonary resuscitation and first-aid instruction to businesses, community groups and emergency first responders.

"People used to go to fire departments and ambulance corps," Kuliszewski, 22, of the hamlet of Walkkill, said Thursday, "but there aren't that many instructors now in the emergency services community."

Coffee drinkers targeted

Ilejay, 19, of Port Jervis, aims to put creative business advertising in the hands of every coffee drinker in the Hudson Valley. The plan for Ad-On Advertising, he said, is to provide coffee shops with free cups that promote businesses.

While billboards are big, he said, drivers whizzing by have little time to absorb their message. Coffee cups, he's found from observation, remain in most drinker's hands for 25 minutes.

Kuliszewski and Ilejay came to the attention of the accelerator in April during Marist College's Mid-Hudson Business Plan Competition. They were among six teams representing SUNY Orange, and were offered the Accelerator spots with the recommendation of members of SUNY Orange's business faculty.

Idea from Syracuse program

The accelerator got the idea from a program in Syracuse, said Brian Gates, vice president of the Hudson Valley Economic Development Corp., the manager of the accelerator. A \$125,000 annual three-year grant from the Mid-Hudson Regional Economic Development Council pays for the effort.

Like other occupants of the accelerator, the students get the use of a conference room — a whiteboard there

illustrates their business plans — and office space. They also can tap accelerator staff and other business tenants for advice. The grant helps pay for Web page design, brochure development, and local travel expenses.

Table at expo planned

Kuliszewski and Ilejay also will have a table at the Orange County Business Expo in September to showcase their fledgling businesses.

By then, they expect to decide whether entrepreneurship is for them. They'll be expected to report on what they've learned, Gates said.

Kuliszewski said he's working to develop his leadership skills to better motivate members of his team to contribute more of their time.

"I'm trying to get people to communicate more with me," he said. "It's a skill I'm trying to learn."

Ilejay said he's learned cold-calling coffee shops to stock his cups isn't working. He figures he might do better if the shop owners can see his cups. So he's now scheduling appointments to visit them.

"I have some leads," Ilejay said, "and I'm willing to work hard."

Gates advised them to be patient.

"It won't happen overnight," Gates said. "We can give you the resources you need, and where it goes is up to you guys."

jwalsh@th-record.com



HUDSON VALLEY ECONOMIC
DEVELOPMENT NETWORK

4 Crotty Lane
Suite 100
New Windsor, NY 12553

phone: 845.220.2244
fax: 845.220-2247

July 25, 2014

Mr. Robert Armistead, Chairman
Orange County IDA
4 London Avenue
New Windsor, NY 12553

Dear Mr. Armistead:

In response to the IDA Board's inquiry about Hudson Valley Economic Development Network (HVEDN), I want to explain in-depth what necessitated the formation of this 501(c)3, and clarify the IDA's investment as a Member of this important entity.

Over three years ago, the HVEDC Board of Directors (of which the Orange County IDA is itself a member) voted unanimously to form a 501(c)3 entity separate from the organization's existing 501(c)6 in order to pursue other sources of funding for critical educational programs specifically tailored to the needs of Hudson Valley entrepreneurs, which includes businesses located within Orange County.

Since these funding sources were only available to 501(c)3 organizations, and current levels of investment from HVEDC's Board Members were insufficient to cover all the costs for running these important programs, HVEDN was finally formed as an official IRS-approved entity in March 2013.

As also approved by unanimous Board vote, every paying Board Member – whether government entity, economic development office, private company or public institution – invests the same annual amount (\$4,500) in order to fulfill the requirements of sustaining the organization under mandated IRS regulations. Therefore, we submit two separate invoices to each Board Member, though the overall financial commitment by each Board Member has not changed.

Mr. Chairman, we take our fiduciary responsibilities quite seriously, and remain vigilant in providing information to Board Members about the organization's frontline efforts to improve the economy for the benefit of all Hudson Valley residents. We greatly appreciate the IDA's continued support, and if you have additional questions about Hudson Valley Economic Development Network, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read 'Laurence P. Gottlieb', written in a cursive style.

Laurence P. Gottlieb
President & CEO



SUNY ORANGE

WWW.SUNYORANGE.EDU

115 SOUTH STREET, MIDDLETOWN, NEW YORK 10940 (845) 344-6222
ONE WASHINGTON CENTER, NEWBURGH, NEW YORK 12550 (845) 562-2454

July 14, 2014

Orange County Industrial Development Agency
4 Crotty Lane
New Windsor, NY 12553

Attention: James Petro, Executive Director

Dear Mr. Petro,

Thank you for your participation on this joint project, StartUP New York. It is very exciting to be partnering with the IDA and the Business Accelerator.

As we discussed briefly, before the meeting, the College is experiencing decreasing resources from all three major components of its funding stream. As you recall, the IDA was very generous in giving the College a \$550,000 grant a little more than 7 years ago in order to develop training programs and create training rooms on the campus. The main focus was our Continuing and Professional Education (CAPE) for area businesses.

Although our efforts were successful and continue to be successful we did not see the kind of growth that was anticipated. We have been able to repay 5 of the 10 payments of \$55,000 each but are respectfully requesting the waiver of the balance. We hope that you and your Board will consider this request and feel free to contact me if you need any further documentation.

Sincerely,

Roslyn Smith, VP Administration and Finance

CC: William Richards, President SUNY Orange

July 28, 2014

Mr. James R. Petro Jr.
Executive Director; Orange County IDA
4 Crotty Lane Suite 100
New Windsor NY 12553

Dear Jim,

We would like to present a 38 acre, 7 lot subdivision located on Crystal Run Road in the Town of Wallkill for consideration of funding under your "Shovel Ready Program" initiative. The preliminary plans for the creation of this parcel have been approved by the Town of Wallkill Planning Board.

Once this project is completed, we estimate the parcel will be able to generate 650,000 to 1.3 million square foot of office, medical or research opportunity for users. The tax revenue generated to the Town of Wallkill will be tremendous and the construction jobs and future jobs in these facilities will be a major boost to Orange County.

We appreciate the opportunity to come before the Board on August 6th. at 2PM and look forward to the beginning of a relationship with the IDA.

On behalf of Ryan Development,

Sincerely,

Tom Pahucki
Associat Broker; RJ Smith Realty
Goshen NY 10924
845-741-3643

RYAN DEVELOPMENT

Crystal Run Road
Medical Mile



Tom Pahucki

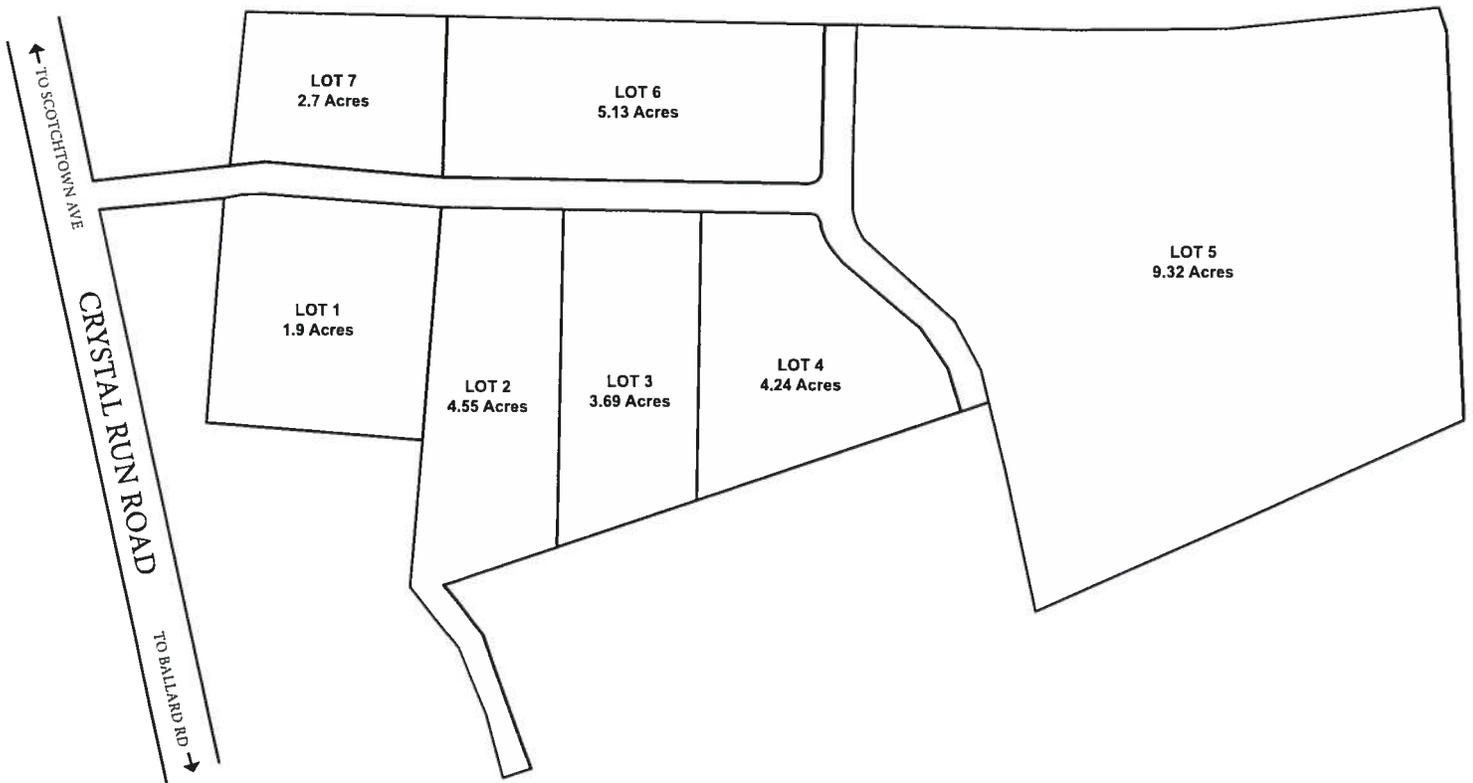
Associate Broker

RJ Smith Realty

office: 845-294-2095

direct: 845-741-3643

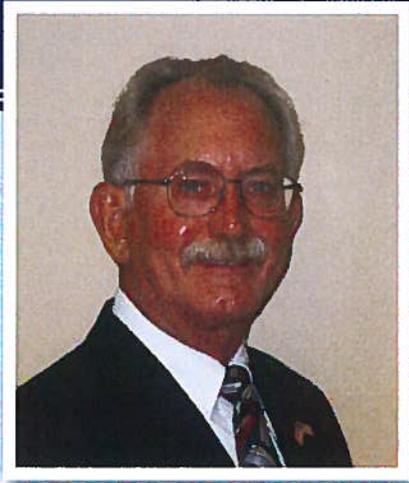
tomthebroker@yahoo.com



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RYAN DEVELOPMENT

Crystal Run Road Medical Mile



Tom Pahucki

Associate Broker

RJ Smith Realty

office: 845-294-2095

direct: 845-741-3643

tomthebroker@yahoo.com



-Medical Mile office complex

-Less than 1 miles off Exit 122 Interchange

-20 miles to Stewart Airport

-1 hour to George Washington Bridge

-Lightly wooded campus

-Proximity to Orange Regional Medical Center, Crystal Run Healthcare, medical offices, day care center, Hudson Heritage Credit Union and others.

-Site has preliminary approval from the Town of Wallkill for 7 parcels, offered as-is or will finish subdivision.

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Town of Walkkill

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**ORANGE COUNTY
INDUSTRIAL
DEVELOPMENT
AGENCY**

**APPLICATION FOR
FINANCIAL ASSISTANCE**

Danskammer Energy LLC
(Applicant Name)

**Robert T. Armistead
Chairman**

Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553

Phone: 845-234-4192 Fax: 845-220-2228

www.ocnyida.com

business@ocnyida.com

Updated April 2014

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: Danskammer Energy LLC
Mailing Address: 994 River Road, Newburgh NY 12550
Phone No.: 713-447-8637
Fax No.: 832-209-2401
Fed Id. No.: 46-4106403
Contact Person: Larry She

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership): **Mercuria Energy America, Inc. (ownership – 98%), designated as the Managing Member. Current officers of Danskammer Energy are the following:**

Larry She, President
Andrew Davis, Vice President
Scott Muecke, Vice President-Controller
Christopher Morran, Treasurer
Mark Greenberg, Secretary
Being member managed, there are no directors at this time.

Corporate Structure (*attach schematic if applicant is a subsidiary or otherwise affiliated with another entity*)

Form of Entity

Corporation

Date of Incorporation: _____
State of Incorporation: _____

Partnership

General _____ or Limited _____
Number of general partners _____
If applicable, number of limited partners _____

Date of formation _____
Jurisdiction of Formation _____

Limited Liability Company/Partnership (number of members 2)

Date of organization: 11/13/13

State of Organization: Delaware

Sole Proprietorship

If a foreign organization, is the applicant authorized to do business in the State of New York?
Yes.

APPLICANT'S COUNSEL

Name: Mark Greenberg

Address: 5 Greenway Plaza, Suite 810, Houston TX 77046

Phone No.: 832-209-2335

Fax No.: 832-209-2401

II. PROJECT INFORMATION

A) Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. **The Danskammer Power Station is comprised of six generators – 2 emergency diesel generators, and 4 utility sized units. Superstorm Sandy flooded the basement of the 4 utility sized generator units, and the station has been put into mothballed status since. Danskammer Energy intends to repair the damaged components with equipment “in kind”. The repair is isolated to broken piping and valves, electrical switchgear and instrumentation. The estimated cost of the repair is \$12M, \$8M of which is associated with labor related costs.**

B) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations. **Documentation for this aspect of the project is substantial and will be provided separately.**

If any of the above persons, or a group of them, owns more than a 50% interest in the company, list all other organizations which are related to the company by virtue of such persons having more than a 50% interest in such organizations. **Please see the attached organization chart. Mercuria Energy America, Inc. is an indirect wholly owned subsidiary of Mercuria Energy Group Limited (“MEG”). MEG is the holding company of an international group operating in a wide spectrum of global energy and commodities markets. The Group’s core activities are in the trading of energy products, including crude oil and refined petroleum products, natural gas (including LNG), power, coal, biodiesel, vegetable oils and carbon emissions. Like all energy traders, Mercuria trades both in physical quantities of energy products as well as in non-physical quantities for hedging purposes, through the trading of derivatives (such as hedges, swaps and futures).**

Is the company related to any other organization by reason of more than 50% common ownership? If so, indicate name of related organization and relationship.

See previous response.

Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? If so, please provide offering statement used.
No.

Project Data

1. Project site (land)

(a) Indicate approximate size (in acres or square feet) of project site.

52 acres (+/-)

(b) Are there buildings now on the project site? Yes No

(c) Indicate the present use of the project site.

Site is currently a Power Plant

(d) Indicate relationship to present user of project.

Current lessee under a Ground Lease Agreement with Helios Power Capital

2. Does the project involve acquisition of an existing building or buildings? If yes, indicate number, size and approximate age of buildings:

Power plant and accessory structures that were built approximately 60 years with Unit 1 built in 1951, Unit 2 built in 1954, Unit 3 built in 1959 and Unit 4 built in 1967.

3. Does the project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings:

No

4. Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation:

No

5. What will the building or buildings to be acquired, constructed or expanded be used for by the company? (Include description of products to be manufactured, assembled or processed, and services to be rendered. . .)

Yes. The facility will continue to be used as a power plant.

. . .including the percentage of building(s) to be used for office space and an estimate of the percentage of the functions to be performed at such office not related to the day-to-day operations of the facilities being financed.)

10% of the building(s) will be used for office space. All space will be used towards the day to day operation of the facilities.

6. If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant.

No

7. List principal items or categories of equipment to be acquired as part of the project.

Valves, piping, electrical switchgear, instrumentation, generators, turbines, pumps, etc.

8. Has construction work on this project begun?

Complete the following

(a) site clearance	<u>X</u> Yes	_____ No	<u>100</u> % complete
(b) foundation	<u>X</u> Yes	_____ No	<u>100</u> % complete
(c) footings	<u>X</u> Yes	_____ No	<u>100</u> % complete
(d) steel	<u>X</u> Yes	_____ No	<u>100</u> % complete
(e) masonry work	<u>X</u> Yes	_____ No	<u>100</u> % complete
(f) other (describe below)	_____ Yes	_____ No	_____ % complete

9. Will any of the funds borrowed through the Agency be used for refinancing?
No funds will be borrowed from the Agency for this project.

10. Is a purchaser for the bonds in place? N/A

COST BENEFIT ANALYSIS:

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
Estimated Sales Tax Exemption	\$ _____	New Jobs Created <u>40</u>
		Existing Jobs Retained <u>5</u>
Estimated Mortgage Tax Exemption	\$ _____	Private Funds invested \$12,000,000.00
		Other Benefits _____
Estimated Property Tax Abatement	\$ _____	Expected Yearly Payroll \$6,000,000.00
Estimated Interest Savings IRB Issue	\$ _____	Expected Gross Receipts \$ _____

B) Project Address: 994 River Road, Newburgh NY 12250

Tax Map Number _____ Tax Lot No. 8-1-78.2 and 8-1-80
 (Section/Block/Lot)
 Located in City of _____
 Located in Town of Newburgh
 Located in Village of _____
 School District of Orange

C) Are utilities on site?

Water Yes Electric Yes
 Gas No Sanitary/Storm Sewer Yes

D) Present legal owner of the site Helios Power Capital, LLC
 If other than from applicant, by what means will the site be acquired for this project? **Helios Power Capital, LLC; Acquisition will be pursuant to a purchase option right granted to Danskammer Energy under the Ground Lease Agreement between Helios and Danskammer. Purchase option has not yet been exercised.**

E) Zoning of Project Site: Current: _____ Proposed: _____

F) Are any variances needed? No

G) Principal use of project upon completion: N/A

H) Will the project result in the removal of a plant or facility of the applicant from one area of the State of New York to another? No

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area of the State of New York? No

Will the project result in the abandonment of one or more plants or facilities located in the State of New York? No

I) Estimate how many construction/permanent jobs will be created or retained as a result of this project and the estimated annual salary range:

	<u>Number of jobs created</u>	<u>Estimated Annual Salary Range</u>
Construction:	<u>30</u>	\$ <u>75,000</u> to \$ <u>150,000</u>
Permanent:	<u>40</u>	\$ <u>75,000</u> to \$ <u>150,000</u>
Retained:	<u>5</u>	\$ <u>75,000</u> to \$ <u>150,000</u>

J) Financial Assistance being applied for:

Estimated Value

X Real Property Tax Abatement
 Please indicate the term of the PILOT: 10 Years

Applicant is seeking greater long-term certainty regarding the tax burden to be carried by the project. It seeks a long-term PILOT in effect keeping the existing tax assessment

in place, subject to annual 2% escalators. Valuing the facility is challenging, as it will be operated only on a limited basis to provide energy in times of greatest need. Applicant asserts there is business value in having certainty regarding the future taxes charged to the project, but cannot apply a monetary value, as the projected tax burden is reasonable given the projected use.

_____ Mortgage Tax Exemption	\$
Please provide the Mortgage Amount: \$ _____	
<input checked="" type="checkbox"/> Sales and Use Tax Exemption	\$ 250,000
_____ Issuance by the Agency of Tax Exempt Bonds	\$

K) Project Costs (Estimates)

Land	\$0.00
Building	\$0.00
Equipment	\$4,000,000.00
Soft costs	\$2,000,000.00
Other	\$8,000,000.00
Total	\$14,000,000.00

III. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity

(collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.

- B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JPTA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Fillings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.
- E. Annual Employment Reports The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- F. Absence of Conflicts of Interest The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

The Applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.



(Applicant Signature)

Larry She

(Name of Officer)

President

(Title)

This Application should be submitted to the Orange County Industrial Development Agency, c/o Robert T. Armistead, Chairman, Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, NY 12553.

The Agency will collect an administrative fee at the time of closing.
SEE ATTACHED FEE SCHEDULE (page 10)

Bond Counsel
CHARLES SCHACHTER, ESQ./
RUSSELL GAENZLE, ESQ.
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Tel: (585) 419-8633
Fax: (585) 419-8817

Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

Attach the following Financial Information of the Company

1. Financial statements for last two fiscal years (unless included in company's Annual Reports).
2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years.
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.
4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company.

HOLD HARMLESS AGREEMENT

Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall

pay to the Agency, its agents or assigns, all costs incurred by the Agency in processing of the Application, including attorneys' fees, if any.

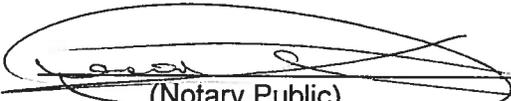


(Applicant Signature)

By: Larry She

Name: Danskammer Energy LLC

Title: President



(Notary Public)

Sworn to before me this 30th day
of July, 2014



**FEE SCHEDULE FOR THE
ORANGE COUNTY IDA IS AS FOLLOWS:**

Application Fee:

\$5,000 non-refundable, due at application, broken down as follows:

IDA Administrative Fee: \$2,500

IDA Transaction/Bond Counsel Fee: \$2,500

Closing Fee:

IDA Fee

One-percent of the first \$2,000,000 of the project cost (as identified on page 7 of this application), plus one-half percent of amount above that, due at closing.*

IDA Bond Counsel Fee

Balance due to be determined based on Project and overall structure (typically \$25,000 to \$35,000 plus out of pocket expenditures).

NOTE: IDA reserves the right to seek additional IDA and Bond Counsel fees for exceptionally complex/large transactions.

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:
4 Crotty Lane
New Windsor, NY 12553

*In the event that an applicant does not seek or does not qualify for the IDA's enhanced PILOT or the equivalent of the State's 485-b program, the fee will be a straight one-half percent (0.5%) of the project cost (as identified on page 7 of this application).

LABOR POLICY
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Adopted 04-24-2014

The Orange County Industrial Development Agency (IDA) was created for the purpose of creating employment opportunities for, and to promote the general prosperity and economic welfare of the residents of Orange County. The IDA offers economic incentives and benefits to qualified applicants who wish to locate or expand their businesses or facilities in Orange County. When the IDA approves a project, it enters into agreements to extend these incentives and benefits to the applicant.

Construction jobs, though limited in time duration, are vital to the overall employment opportunities in Orange County. The IDA believes that companies benefiting from its incentive programs should employ local laborers, mechanics, craft persons, journey workers, equipment operators, truck drivers and apprentices (hereinafter "construction workers"), including those who have returned from military service, during the construction phase of projects. In this way, the IDA can generate significant benefits to advance the County's general prosperity. It is, therefore, the policy of the IDA that firms benefiting from its programs

shall employ workers in Orange County during all project phases, including the construction phase.

For the purposes of this Policy, the local labor market for construction workers shall be defined as those individuals living in Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland and Westchester Counties. Applicants receiving IDA benefits shall utilize at least 85% local labor for their approved projects. However, the IDA recognizes that the use of local labor may not be possible for the following reasons:

- 1) Warranty issues related to installation of specialized equipment whereby the manufacturer requires installation by only approved installers;
- 2) Specialized construction is required and no local contractors or local construction workers have the required skills, certifications or training to perform the work;
- 3) Significant cost differentials in bid prices whereby the use of local labor significantly increases the cost of the project. A cost differential of 10% is deemed significant. Every effort should be made by the contractor or applicant to get below the 10% cost differential including, but not limited to, meeting with local construction trade organizations and local contractor associations;
- 4) No local labor is available for the project; and
- 5) The contractor requires the use of key or core persons such as supervisors, foremen, or construction workers having special skills.

The request to secure an exemption for use of non-local labor must be received in writing from the applicant. The request will be reviewed by the Executive Director who shall have the authority to approve or disapprove the request. The Executive Director shall report each authorized exemption to the Board of Directors at its monthly meeting.

In addition, applicants receiving IDA benefits and Contractors on the project shall make every effort to utilize vendors, material suppliers, subcontractors and professional services from Orange County and the surrounding counties. Applicants and contractors shall be required to keep records of those local vendors, material suppliers, contractors and professional services who they have solicited and with whom they have contracted with or awarded.

It is the goal of the County of Orange and the IDA to promote the use of local veterans on projects receiving IDA benefits. By partnering with local contractors, local contractor groups, local trade unions and contractors awarded work on IDA projects there is opportunity for veterans to gain both short term and long term careers in the construction industry.

Once approved for IDA benefits, all applicants will be required to provide to the IDA's Executive Director the following information:

- 1) Contact information for the applicant's representative who will be responsible and accountable for providing information about the bidding and awarding of construction contracts relative to the application and project;
- 2) Description of the nature of construction jobs created by the project, including in as much detail as possible, the number, type and duration of construction positions;
- 3) The names, contact information, certificate of authorization to do business in the State of New York and copies of current Certificates of NYS Workers' Compensation Insurance, NYS Disability Insurance, General Liability Insurance and proof of current OSHA training certification for all contractors and their employees performing work on the site; and
- 4) A Construction Completion Report listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged in the construction phase of the project.

All Orange County IDA projects are subject to local monitoring by the IDA. The Construction Manager, acting as agent for the applicant, on the project shall keep a log book on site detailing the number of workers on the job for each trade and the counties in which they reside which shall be subject to periodic inspection by the monitoring entity. The monitor shall issue a report to the Executive Director relative to compliance with this labor policy who shall share such information with the IDA Board of Directors. If a violation of the policy has occurred, the Executive Director shall notify the applicant in writing and give such applicant a warning of such violation. In the event there is a subsequent violation of the policy, the Executive Director shall bring such information to the Board of Directors which may, in its discretion, take action to revoke IDA benefits.

The applicant of an IDA approved project shall be required to maintain a 4' x 8' bulletin board on the project site containing the following information:

- 1) Contact information of the applicant;
- 2) Summary of the IDA benefits received; and
- 3) Contractors' names and contact information.

The bulletin board shall be located in an area that is accessible to onsite workers and visitors.

Editorial: Make them deliver on promises of jobs

Published: 2:00 AM - 07/20/14

The prospect of a casino in Orange County with promises of jobs, fees and taxes is having an unintended effect on another more traditional approach to luring business.

Many of the prime locations for industrial development, the ones with good drainage and access to utilities and transportation, are tied up with contracts and down payments.

Nobody wants to get a casino license and then have to pay a premium for the real estate on which to build it, so those who are applying have to one extent or another made reservations on some of the county's best pieces of land.

As economic problems go, this is the kind that other regions would love to have — too much competition to bring in jobs. And it is a temporary problem. Once the state decides where the casino will go, the other applicants for the licenses will go away, leaving the land they had tied up free for other uses.

In preparation for that, the Orange County Industrial Development Authority is accelerating its efforts with a new "shovel-ready" approach, providing funds for infrastructure improvements and installation of utilities to lure those who think that the area would be a good place to locate or expand.

The plan has a lot going for it. The IDA has the money to start putting in wires, pipes and roads that can be modified to suit the needs of a specific applicant. Incentives seem to be readily available and are already part of the mix when it comes to some applicants.

This new approach does come with the one big concern that hovers over industrial development efforts here, throughout the state and across the nation. If the IDA is going to spend public money for the public good, it needs to provide the kind of accounting that would give the public some assurance that the money was well spent, that all of the promises were kept, that those who got what they asked for delivered on what they proposed.

The state takes an annual look at this kind of spending and concluded once again this year that too many promises turn out to be too good to be true.

The latest report from the state Authorities Budget Office this month concluded that while operating expenses went up almost 18 percent in the past five years, job growth did not rise accordingly.

Of the 425,000 jobs created in the state in those years, about 1 percent came from the 186 projects backed by local industrial development authorities. "It's very difficult to come away with any certainty over what contribution did they make in adding to these 400,000 jobs," said David Kidera, executive director of the Authorities Budget Office.

There is one safeguard that the IDAs can offer: regular accounting of job creation and an insistence that companies that do not meet their goals pay back some or all of the money. When it comes to the new shovel-ready approach, the Orange County IDA needs to go a bit farther than asking for repayment in "in most cases" and on a "case-by-case" basis, as the executive director put it.

ORANGE COUNTY INDUSTRIAL AGENCY
STATE OF NEW YORK

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IN THE MATTER OF

RE: AMY'S KITCHEN, INC.,

-----x

Goshen Town Hall
41 Webster Avenue
Goshen New York
June 19, 2014
10:00 a.m.

B E F O R E: Robert Armistead, Chairman
Orange County IDA

FRANCES ROTH
COURT STENOGRAPHER
168 North Drury Lane
Newburgh, New York 12550
(845) 566-1641

A P P E A R A N C E S :

LAW OFFICES OF KEVIN T. DOWD
Attorneys for IDA
96 Daisy Lane
Montgomery, New York 12549

ALSO PRESENT: James Petro, IDA Executive Director
Rachel Endress, Esq.

1 Amy's Kitchen, Inc.

2 MR. ARMISTEAD: Good morning everyone, please
3 stand for the Pledge of Allegiance.

4 (Whereupon, the Pledge of Allegiance was recited.)

5 MR. ARMISTEAD: Good morning, everyone, I'm
6 Bob Armistead, the Chairman of the Orange County Industrial
7 Agency. We're here for the Amy's Kitchen public hearing.
8 The notice went out. To my left is Kevin Dowd, the IDA's
9 attorney and Rachel Endress from our bond counsel. To my
10 right is Jimmy Petro, he's the IDA Executive Director and
11 the stenographer for today is Franny. Kevin, could you
12 read the Notice of Public Hearing please?

13 MR. DOWD: Notice is hereby given that a
14 public hearing pursuant to Article 18-A of the New York
15 General Municipal Law will be held by the Orange County
16 Industrial Development Agency on Thursday, June 19, 2014 at
17 10:00 a.m. local time at the Goshen Town Hall, 41 Webster
18 Avenue, Goshen, New York 10924 in connection with the
19 following matter: Amy's Kitchen, Inc., for itself or on
20 behalf of an entity to be formed has submitted an
21 application to the Agency requesting the Agency's
22 assistance with a certain project consisting of: (i) the
23 acquisition by the Agency of a leasehold interest in an
24 aggregate approximately 200 plus or minus acres of land
25 located at 41 Echo Lake road and 2832 State Route 17M in

1 Amy's Kitchen, Inc.

2 understand we have some representatives from Amy's Kitchen
3 and the Berliners are here, very nice to have you here and
4 Dominic you want to speak first?

5 MR. CORDISCO: I just wanted to introduce
6 everybody, you're absolutely right, Andy Berliner and
7 Rachel Berliner, the owners of the company along with their
8 daughter, Amy as is Mark Rudolph, Chief Financial Officer,
9 Tom Richmand, planner and Kevin Haslebaucher is Chief of
10 Operations, these are the people that are involve in the
11 design of their new building here in Goshen. So with that
12 said, unless the board has any introductory questions for
13 me?

14 MR. ARMISTEAD: I think we'll turn it over to
15 you.

16 MR. CORDISCO: We do have a presentation we
17 have been working on it so we're very proud to show it. I
18 think it will be good information for any members of the
19 public that might have questions regarding the project. So
20 we have quite of bit of information in the presentation and
21 I think rather than hearing me go on, I'd turn it over to
22 Mark.

23 MR. ARMISTEAD: I want to recognize the Town
24 Supervisor, Doug Bloomfield, thank you for being here as
25 well and John McCarey, Commissioner of Real Property in the

1 Amy's Kitchen, Inc.

2 county, former Executive Director, Mr. O'Donnell is in the
3 crowd, Jimmy, good to see you. So with that said, I will
4 turn it over to you.

5 MR. RUDOLPH: We're going to start with Andy,
6 talk a little bit about Amy's.

7 MR. PETRO: Give your name and affiliation for
8 the steno, please. Andy.

9 MR. BERLINER: Berliner co-founder of Amy's
10 Kitchen. Nobody can see this, right? I know everyone
11 here, my daughter presented this before so Doug mentioned
12 that he could give it himself the presentation he's seen it
13 so many times. Very quickly and in an abbreviated version,
14 okay, so we're a family-owned business, many of you met our
15 daughter, Amy, and we're a family, because we're family
16 owned we're able to do what we feel is right by the
17 business, we're not guided by the public markets or
18 investors or anything like that, we make delicious food
19 with great ingredients. And so founded in 1988 when Amy
20 was born and 26 yearlies later we make 250 products. And
21 we have Amy's kind of like a family business in terms of
22 not ourselves but all of our employees, we have about 2,000
23 people now between Oregon and California, we have
24 scholarships for the children, we give 83 college
25 scholarships to the children of our employees. We have

Amy's Kitchen, Inc.

1 health centers on site for our employees for the normal
2 like you go to your regular doctor, not specialist, primary
3 care and people who have never been to the doctor except
4 for emergency rooms, never had a physical, we take them off
5 the line, put a substitute in place and they get over and
6 get a full physical and get guidance on how to improve
7 their health. The health of our work force over the last
8 few years has improved significantly and they're so
9 grateful for it, anyone in the family can come, not just
10 the employees, \$5 co-pay and that's it, a wonderful doctor.
11 And we have an 80 percent 401K match and one of the things
12 we like to say it's not only a job but a career, some of
13 our middle management started at the lowest level at Amy's
14 and worked their way up we invest in them and keep working
15 with these people. Donations, Amy's donated last year over
16 \$1 million in food products to food banks. The moment
17 there's some disaster in the country, Rachel, she's a
18 Google news reader, she's on the phone to the company
19 trying to find out where we have product and how quickly we
20 can get product there. This is a letter from our local
21 food bank, I will just hit some of the key points. They
22 have provided thousands and thousands of pounds of
23 delicious food to help us feed more than 78,000 people in
24 need. We're the main contributor to the Redwood Food Bank,

Amy's Kitchen, Inc.

1 we have so much food, oftentimes we're supplying the other
2 food banks in San Francisco and other surrounding areas.
3 One of our head employees was on a tour field trip with his
4 son and didn't, they didn't know who he was and they're
5 talking all about Amy's as part of the field trip and he
6 was so proud. So we're focused on organic farming, we
7 purchase a lot of organic vegetables, we buy over
8 100 million pounds of organic vegetables, we buy what did
9 we figure out yesterday, we're buying 9 million pounds of
10 cheese which means how much milk is that, 13 million pounds
11 of milk plus other things. Also on the tomatoes we buy
12 40 million pounds of tomatoes, if you stretched them side
13 by side lined you'll be from San Francisco to London and
14 back. We have long term, lasting relationships with our
15 suppliers, lot of them started very small farmers, they've
16 grown with us, we have a variety of types of foods, we have
17 gluten free, light in sodium, light and lean Kosher,
18 vegetarian. And I'm going to introduce my wife, Rachel who
19 is the heart and soul of the business to talk about what we
20 do and why.

21
22 MRS. BERLINER: I'm not really a public
23 speaker. So when we started in 1988, I was pregnant with
24 Amy and we had to start a business and we had a hard time
25 finding food, we're vegetarians and we really couldn't find

Amy's Kitchen, Inc.

1
2 food for us to eat in the market and when we went out to
3 restaurants. So we thought there must be other people like
4 us. So we would start a little business with a pot pie,
5 it's going to be a small business, my husband's really
6 looks to do new products so we started with that product
7 and it did really well and we just kept growing and at a
8 certain point we did enchiladas, lasagne, people started
9 writing to us saying we're celiacs, we can't eat wheat but
10 we can eat the enchiladas because they were so grateful.
11 So they started then asking for other meals that for
12 themselves could you please make a macaroni and cheese with
13 a rice pasta instead of wheat? And we had no idea if it
14 would do well, but being a private business we could do
15 what we wanted, we didn't have to worry about something
16 looking at us, oh, no, that's not going to be profitable,
17 we better not do that. We came out with this product so
18 they loved it, celiacs loved it. Actually, everyone loved
19 this meal, they started writing for more products. Every
20 one, I read every consumer letter. In the beginning, we
21 didn't make any money, you know, we were just struggling
22 but they would be writing these letters, thank you so much,
23 I finally have something to feed my kids, something healthy
24 that actually tastes good. The way we make our food is
25 different than other companies, they don't, we just are

Amy's Kitchen, Inc.

1 like a huge kitchen, big pots, we make rouxs, we give
2 fantastic ingredients, we taste everything, we do a lot of
3 hand work so it's just as if you made something at home,
4 put it in the freezer and had it for a party the next day,
5 that's how we make our food. So it's really the letters I
6 really, we really care about our customers. I, you know,
7 we listen to them, we respond and we care for them. I'm
8 just going to read you a few, these are the things that
9 come in every single day and when times are hard which they
10 have been and we have been struggling, we pull these
11 letters out and say oh, this is why we're doing this, we
12 don't want to sell the business because if we sold the
13 business, these people wouldn't have anything to eat. Kind
14 of a big responsibility to continue. And so just a few of
15 these. To whom it may concern: My father developed a
16 gluten allergy later in life. It was devastating. Your
17 company makes gluten free food that is enjoyable not only
18 for the person with the allergy but the entire family.
19 Hats off to you. So our food is just delicious for anybody
20 who's busy or they're working and they want to bring it to
21 lunch or any just normal, good food and it also helps
22 people with special needs. So here's one. I just wanted
23 to say thanks so, so much for your gluten free mac and
24 cheese. I recently found out I add a gluten allergy, I was

Amy's Kitchen, Inc.

1
2 very upset at the thought of giving up all my favorite
3 foods. The mac and cheese is incredible. I was so moved I
4 had to say thanks. Please don't stop being awesome. Your
5 fan, Lisa. And wherever we go people love Amy's, they're
6 fans, it's like you're famous, oh my God, I live on Amy's.
7 Thank you. When I called to make a reservation at the
8 Marriott, low and behold the girl says I love Amy's and I
9 said oh, great and she says I'm a celiac, I can't eat
10 wheat, I live on your food, thank you so much and we
11 brought our little gift pack and this morning I gave it to
12 her on our way here and things that I know she can't get
13 here, our new things and she just was crying, you know and
14 that's what we get, people crying, people, mothers who have
15 these little autistic kids and they write me and they say I
16 found your food, I just started crying in the grocery
17 store. Who wouldn't be moved, who wouldn't be grateful
18 that they can do something where they're making such a
19 different and that's what motivates us. And a lot of
20 people with illnesses for some reason our food works well
21 if you're recovering, if you have cancer, if you have
22 surgery, it doesn't disagree with people. So here's
23 somebody that said hi, my name is Emily, I recently have
24 been in and out of the hospital due to a rare brain disease
25 and surgery. Since that's happened to me I have been only

Amy's Kitchen, Inc.

1
2 able to eat certain things that agree with me so I went
3 shopping at Stop and Shop yesterday, bought a couple cans
4 of your black bean chilly. Not only was I able to eat a
5 whole can, I really enjoyed it. If you knew me, you would
6 know how much of a huge deal this is. Thanks for making
7 such a great product. Have a great day. And, you know,
8 it's great to get these letters. Here's another one. My
9 husband received a liver transplant, he's doing well.
10 Thank you for making clean food I don't have to worry
11 about. Sincerely, Mrs. Estrada. Finally, this letter came
12 just a few days ago, can you imagine this, I just died and
13 went to heaven, I just had an eighth of a box of your dairy
14 free rice, I ate only one eighth of box because I'm 87
15 years old and have been without milk, cheese for 62 and a
16 half years due to allergies, I'm sorry, I just can't
17 believe I won't have something wrong, I'm being careful, I
18 love your product, sensational isn't quite the right word.
19 All you dream of in cheese. My two daughters bought me
20 some rice mac and cheese because they have allergies.
21 Bless your heart for helping us. I can't wait to have some
22 more rise mac. So far I can't believe it, you should be
23 very proud of yourself. I believe and I'm writing to let
24 you now how wonderful your product is. April 7, good
25 morning, I had a good night, all is fine. I imagine you

1 Amy's Kitchen, Inc.

2 know I'd be alright, I guess you also know that this won't
3 be the last of your products for me. I'm very excited.
4 Good luck to you and God bless. So we can't sell and we're
5 just going to keep growing, that's why we're trying to come
6 here because people keep buying the food and we need to
7 build a new plant so we can make the food.

8 MR. ARMISTEAD: Thank you.

9 MR. BERLINER: So another thing that some
10 people are excited about is we're opening our first
11 drive-thru, Amy's drive-thru restaurant and we're opening
12 it very close to California, very close to our plant. A
13 ton of work is going into this, my daughter is deeply
14 involved in this and it's across the street from
15 McDonald's, across the street from Taco Bell, In and Out
16 which you may not have heard of down the street, we're
17 right in the fast food mecca so we're opening in November,
18 if it's successful, won't be long before we're here. You
19 want a second one, makes sense, we want to be close to our
20 facilities. So briefly this is our sales history and it's
21 funny, this looks like we weren't growing in the early
22 years so flash the next one and come back to this but
23 actually there's a ton of growth in here, just that the
24 dollars are so big to get this on the thing that makes it
25 look small but the compound since we have started is

1 Amy's Kitchen, Inc.
2 30 percent a year compound growth and this year we'll do
3 about \$430 million in sales. These, and now, oh, and then
4 so 60 percent of our sales are actually east of the
5 Mississippi, and so we're shipping stuff across the
6 country, obviously there's a great benefit to us opening a
7 plant there. So with that, I'm going to introduce Mark.
8 Those quotes I'm going to do later.

9 MR. RUDOLPH: Kevin is next.

10 MR. BERLINER: Kevin is our VP of
11 Manufacturing, he's the one who's responsible for getting
12 this thing built.

13 MR. HASLEBAUCHER: Good morning, just a quick
14 aerial shot of the property, it's where we're discussing
15 today, it has been a gravel quarry for a number of years
16 just bordering 17M. The concept to date for the plant and
17 other facilities with an entrance off of 17M, we'll zero in
18 a little bit more in color so you can see that this is the
19 Amy's manufacturing plant here, I think we have one more
20 that gets us closer, there we are. So just briefly to kind
21 of give you a sense of what it is we're looking to
22 construct is a building that's actually expandable up to
23 661,000 square feet over the course of several expansions.
24 The initial building would be 512,000 square feet with two
25 additional opportunities to expand as our growth expands.

1 Amy's Kitchen, Inc.

2 We're talking about roughly just south of 700 employees,
3 about 670 employees given how we currently operate in our
4 other plants so that's our projection. We have a clinic
5 and did I mention the medical clinic is actually a separate
6 building that's so that people can feel there's a degree of
7 privacy if they need to go see the doctor they don't have
8 to walk through the production plant.

9 MR. PETRO: What's the building on the other
10 side of the road? Go back one slide.

11 MR. HASLEBAUCHER: We'll talk about that in a
12 moment.

13 MR. PETRO: See the square building up in the
14 top there?

15 MR. HASLEBAUCHER: This is a conference center
16 that's associated with Science of the Soul and Tom Richmand
17 will be talking about that in a moment. So we have an
18 office area, obviously parking for our employees, trucks
19 and all receiving and shipping and utility operations are
20 on the back side of the facility so those really aren't
21 visible from the road. Bring truck traffic in on a
22 separate route from employees to keep that separation. And
23 a building in the lower left-hand corner there's a waste
24 water treatment. Just to kind of give you a flavor of what
25 this might look like, this is an aerial photo of our

Amy's Kitchen, Inc.

1
2 Medford, Oregon facility currently in the process of being
3 expanded out in this area, that plant when done will be
4 approximately 450,000 square feet. This is a shipping
5 warehouse area and all manufacturing. Frontal view of that
6 we can see our office areas and the walls of the plant will
7 be very similar to what we plan to construct here. Just
8 give you an idea some of the processes that are inside, we
9 make a lot of canned soups, entrees, pizzas, Doritos,
10 non-dairy ice cream are the products we're targeting for
11 this facility which is pretty much a replication of the
12 Medford, Oregon plant with an addition of a few other
13 lines. For instance, we don't make burritos in Medford
14 that will be made here as well going to be slightly larger
15 than the Medford plant, 750,000 meals a day, eventual
16 capacity is essentially double of what we do today as
17 products network so we're really looking at as you saw
18 Andy's chart of 60 percent being produced in or sold in the
19 east it makes sense for us to do that manufacturing in the
20 east so this will get us almost to a 50-50 split in terms
21 of our manufacturing capacities. We're planning on on-site
22 wells for water as well as waste water treatment and
23 electric and natural gas utilities coming off 17M. So
24 again, this is the development area that we're talking
25 about and I think the next slide is--

1 Amy's Kitchen, Inc.

2 MR. RUDOLPH: The total site is a combination
3 of Amy's manufacturing facility and conference center and
4 we're focused today on the Amy's manufacturing facility
5 because that's what the incentives that we are negotiating
6 applies to. There's a hundred percent of the incentives
7 apply to the Amy's manufacturing facility, none of it
8 applies to the conference center. So with that said, we
9 did prepare a chart to talk about property taxes, talk out
10 both sides of my mouth.

11 MR. ARMISTEAD: Don't say that.

12 MR. RUDOLPH: This chart hopefully represents
13 the dynamics with property taxes, the black dashed line at
14 the bottom is the current tax revenue base on the property
15 which is about \$5,000 a year. The green dashed line
16 represents an indication of what the new tax revenue base
17 would look like and then of course that solid green line is
18 the impact of the incentives that we're talking about with
19 the IDA for which really makes this project possible for
20 us. And you can see by this illustration that really day
21 one Amy's is offering considerable revenue to the community
22 that doesn't exist today so we're not really taking
23 anything, we're actually bringing substantial revenue to
24 the community to all the programs that that funds, the
25 least of which is sort of close to my heart because my

Amy's Kitchen, Inc.

1 wife's been a school teacher for the last 30 years. I
2 personally have been funding her classroom in California
3 cause there's no money in California. But what I want to
4 stress in the next few slides is the benefit portion of
5 this to us is tremendously offset by the economic value
6 that Amy's brings to the region, you know, over the next
7 few years and on into perpetuity. To start with we're
8 creating 700 jobs, 700 jobs accumulate over a five year
9 period, this graph kind of shows the relationship between
10 the different kinds of jobs, production work, production
11 jobs, there's lead operator, warehousing jobs, supervisors,
12 professional jobs like engineering, HR, safety and of
13 course plant management. In next slide takes those jobs
14 and converts it into total payroll and benefits. So when
15 we get to year five, Amy's will be contributing \$28 million
16 a year in payroll and benefits to local people here in our
17 community, it's a significant number. We're very rich on
18 benefits, we offer bonuses to our employees, we talked
19 about our medical insurance and plan, the company pays the
20 piece of the, 90 percent of the premium, there's no
21 deductibles associated with that program, we have the
22 on-site health center where people can bring as Andy said
23 their children to the center for a \$5.00 co-pay even if
24 they're not on the employee's insurance. We offer life
25

Amy's Kitchen, Inc.

1 insurance, long term and short term disability to every
2 employee of the company, company matches 80 percent of what
3 they put into their 401K plan, of course we offer paid time
4 off and holidays. And amongst the other fun activities we
5 do holiday time, everyone also gets holiday bonus gift at
6 that time. The next two years with this project the
7 company is going to be building a facility around \$100
8 million and we're calling that phase one, to give you an
9 example we showed a picture of the Medford facility,
10 originally it cost \$60 million to build that after the
11 expansion that Kevin talked about is completed we'll have
12 about \$130 million into that facility so this is phase one
13 to where we'll ultimately be here in the area. It's kind
14 of split between the construction part of the project and
15 all the equipment that goes inside of it. In addition to
16 that, we're committed to hiring local trades, local labor
17 to build this thing with two qualifications, they need to
18 be qualified subcontractors that can handle the work and
19 they have to be competitive. In addition once the building
20 is up and running, we spend a lot of money every year to
21 keep it running. And I use an example of our Medford
22 facility which is seven years old now, we spend \$10 million
23 a year on services and supplies just to keep the thing
24 operating. And that's all money that goes into the local

Amy's Kitchen, Inc.

1
2 economy. The biggest impact we'll have though is the
3 impact on the agricultural part of this business. This
4 facility should by the time we are fully built out support
5 \$500 million in revenues so double the size of our business
6 and in that \$500 million of revenue there is \$190 million
7 of raw materials which is mostly vegetables and that
8 creates an opportunity for the local and regional area here
9 to be the source of that raw material for us because that's
10 so important, that's why we're interested in this area
11 first of all but also we need to help people convert from
12 conventional farming to organic farming and we're going to
13 put in a grant program where we can offer education and
14 grant money to those farmers 20 acres and more farm to
15 convert from conventional to organic farming. So to recap
16 that, 700 jobs, creating \$25 million in payroll and
17 benefits \$100 million into the first phase of the facility,
18 \$10 million local spending, \$100 million of agricultural
19 impact, and grant program that we're going to do through
20 the Rodale Institute. Amy's coming to this area is kind of
21 a win-win and we are grateful for the economic benefits
22 that are offered here, it's necessary for us to be here but
23 in turn we're bringing substantial benefit back to the
24 community. And that is all I have. Dominic?

25 MR. RUDOLPH: Oh, actually do you want to talk

Amy's Kitchen, Inc.

1 about--

2 MR. BERLINER: I can talk before or after.

3 MR. CORDISCO: Why don't you go now.

4 MR. BERLINER: So this is from Price Chopper's
5 Supermarkets, we get a lot of these they're just saying how
6 excited they are that we're the category leader, that
7 they're less than 16 miles from here with their main
8 warehouse and they're so excited that we're coming here.
9 And then Whole Foods says Amy's is an outstanding supplier
10 that shares Whole Foods Markets' core values, including
11 serving and supporting our local and global communities,
12 practicing environmental stewardship and something,
13 delighting and nourishing our customers. Anyway, so it
14 goes on and that's from the executive of Global Purchasing.
15 And a short time, Walter Robb (phonetic), he's the C.O. of
16 Whole Foods talking about how we have been growing together
17 for 25 years and they're happy we're happening in the east
18 coast so we can be close to their existing, some of the new
19 stores here. I wanted to mention the reason that grocers
20 are so excited about Amy's we're doing something different
21 than any other manufacturer, the largest retailer in
22 America was visiting us a few weeks ago, they said there's
23 not another manufacturer in the country that's really
24 interested in making healthy, great tasting food because
25

Amy's Kitchen, Inc.

1 they spend a lot of time trying to convince manufactures
2 trying to do that because their research shows that's what
3 people want. One of the other top retailers said they're
4 up a hundred percent and we just, people, we're their
5 number one grossing brand not in natural foods but of all
6 frozen food they sell in the store. Another one's up
7 50 percent. So our growth is phenomenal, we never spend a
8 dollar in advertising, it's all word of mouth, it's all the
9 fact we put out wonderful product. We do it the way you'd
10 do it at home and freeze, it just, it's kind of an old
11 concept, hundreds of years old but it's new in today's
12 world. And I wanted to mention that you know when we reach
13 that level we're going to get their pretty quickly doing
14 four or \$500 million in sales a year, we only make five
15 cents on the dollar. So where does the rest of the money
16 go? Well, 80 percent of it stays here in the community.
17 So in one year \$400 million basically is either you know
18 I've got a rough breakdown, raw materials I mentioned, 190
19 labor, 12 percent freight and storage, we don't store much,
20 we don't ship much, we're not a delivery or storage company
21 but it goes out from Amy's and we pay others to do it. So
22 that's eight percent of the total. Overhead to run the
23 plant that's all spent locally, utilities, electrical,
24 cleaning it up, keeping it going that's 20 percent,

Amy's Kitchen, Inc.

1 marketing six percent, that much, you know, you have to,
2 doesn't relate to this community so much, and general
3 administrative eight percent, probably half would be here,
4 other expenses four so I'd say of the 90 percent that we
5 have expenses pre-tax 80 percent of them would be spent in
6 this locale or in the New York area. That's a lot of
7 money. So the impact is much, much more than you know what
8 we talked about in relation to the incentives and then that
9 money gets spent here by consumers buying the product and
10 just goes on and on. We're not economists, we kicked
11 around what's the economic multiplier of Amy's coming here,
12 you have to hire an economist to calculate it but it's a
13 big, big number, the way they look at it after that we're
14 left with nine percent and half of that goes to taxes more
15 or less and seven percent to New York tax base so and in
16 that year if our sales are \$500 million based on this
17 facility that's three and a half million dollars in taxes
18 besides all the employees' taxes and all the other taxes
19 that have gone in there and federal taxes. So I just
20 wanted to give you that idea. But we're, you know, so
21 grateful for this opportunity to be here and, you know,
22 there's incentives offered obviously in most states in the
23 country probably everyone but California and some are huge,
24 you know, but we really wanted to be here and because it's
25

Amy's Kitchen, Inc.

1
2 a great location for us agriculturally for distributing to
3 the customers and the overriding thing that really swayed
4 us got us moving here really quickly was the reception and
5 the warmth and support we got from the local people here.
6 Maureen and Doug and the people who just opened the door
7 and said we're going to help you, we really want you here
8 and that's really big for us because we know from
9 experience that that makes all the difference to work as a
10 partnership. So that's all, you know, thank you so much.

11 MR. CORDISCO: It's really hard to close after
12 that to be quite honest. And what I wanted to just say to
13 the board and the members of the public that there's some
14 words that lose their meaning because they tend to be
15 overused, I mean, it's certainly my privilege to be
16 representing this particular project. And you hear
17 oftentimes when people are talking about economic
18 development they use the word transformative so the project
19 comes in and it could be transformative for the local
20 economy and for economic vitality. And this is truly one
21 of those projects that is transformative, I think that
22 we're very fortunate to have the possibility that Amy's
23 Kitchen has selected Goshen and Orange County to come here
24 as Andy had said every state offers incentives and so, you
25 know, it's a real win to be able to draw them to this

1 Amy's Kitchen, Inc.
2 community and the fact that they want to be here is, cannot
3 be understated. And like I said, it's my privilege to be
4 able to represent them and we're happy to address any
5 comments that the IDA or the members of the public may have
6 so thank you.

7 MR. ARMISTEAD: Thank you, Dominic. By the
8 way, just for the record, we have a number of letters of
9 support from other businesses within the county supporting
10 this project so I don't know if you even knew that but we
11 have been receiving some letters along the same lines of
12 support. I would open it up any questions. Jim?

13 MR. PETRO: I'm going to hold mine off, I'm
14 going to discuss the other building at some point, I'd
15 rather hear from the public first.

16 MR. ARMISTEAD: Sure, anybody from the
17 audience have any question or comments that they would like
18 to share? We're here as you know to hear what the public's
19 feelings are, you know, before we go to final resolution to
20 give them the incentives that they're looking for. So
21 that's the purpose of this public hearing. So it's your
22 chance. Mr. O'Donnell?

23 MR. O'DONNELL: Can we hear about the other
24 piece of this project so we all can ask questions at the
25 same time?

1 Amy's Kitchen, Inc.

2 MR. ARMISTEAD: Fair enough.

3 MR. RICHMAND: My name is Tom Richmand, I'm
4 happy to answer any questions you might have about the
5 conference center. Its primary purpose is to be used by a
6 non-denominational philosophical group known as Science of
7 the Soul. It's not as was stated earlier the economic and
8 incentives that are being discussed here today do not apply
9 to that facility, none of the benefits will go to that
10 facility nor have the economic numbers that we have been
11 talking to you relate to that facility.

12 MR. PETRO: Let me jump in then. Cause I've
13 had calls from our supervisor, our political people knowing
14 that it's going to be a, it's a tax free entity, correct.

15 MR. RICHMAND: Yes.

16 MR. PETRO: Approximately 60 acres that's
17 going to be taken off this site given to this group, it's
18 going to be a tax free site so I, the question is we're,
19 how could you be doing that because you never go backwards?
20 There's a lot of different questions so I looked into it.
21 The, you have to understand even though the 60 acres right
22 now it's raw land and you'd be taking off taxes that are
23 being received for the raw land but for argument's sake
24 let's say that that's \$20,000 a year in taxes that are now
25 being paid on that portion of the property. The way I

Amy's Kitchen, Inc.

1
2 analyzed it is when Amy builds on the other side you're
3 going to be gaining millions of dollars in revenue which
4 would offset the 20,000 that you are giving up. Now you
5 don't have to be a mathematician to think that that's a
6 pretty good deal, its proximity in Orange County, John is
7 sitting here, you know more than I do about it, it's
8 approximately \$37,000 per million dollars of assessed value
9 that Amy's will be paying over the period of into when
10 they're back at par. So that amount of money I don't know
11 what your assessed value is going to be but would dwarf any
12 amount that's lost by giving up the 60 acres to a tax free
13 entity. It's going to be a 501 3c, correct?

14 MR. RICHMAND: Yes.

15 MR. PETRO: Don't forget you still have to
16 gain back also that any of the people who utilize this
17 convention center that are in our area still spending
18 money, there's a multiplier from that also which would
19 probably make up what you're giving up for the taxes on the
20 land. The IDA this time is just looking at the project
21 that's being built on the land that we're talking about
22 that's not affected by this. It really has no bearing on
23 any decision that the IDA has to make, we're looking at the
24 other portion where Amy's building the 6 to 700 jobs, the
25 multiples and the abatement that we're giving is on that

Amy's Kitchen, Inc.

1
2 portion, has nothing to do with the 60 acres that's being
3 given up. But in my mind, I wanted to know that if that's
4 going to be tax free, we always like to say you're not
5 going backwards, you're gaining from day one, of course you
6 would lose the land value if it becomes tax free but again,
7 it's going to be carried by what we're gaining. So I
8 thought that should be brought out and so people can
9 understand that. So I would go back to Jim now cause I
10 know you have questions.

11 MR. O'DONNELL: Can we put the slide back up
12 and explain the rest?

13 MR. RICHMAND: I appreciate very much, sir,
14 your assessment there. One thing that we didn't mention in
15 the earlier presentation is about this annual event so the
16 main purpose of the center is to have a place for annual
17 events where we estimate about 12,000 people would come for
18 two or three day lecture to hear discussion of, you know,
19 how to be a better person. And we have calculated that
20 this event itself would generate about \$4 million of
21 economic activity in the community when you calculate
22 hotels, meals, shopping at Woodbury Common or wherever
23 people go, things like that. So that in itself is a pretty
24 big economic benefit that far dwarfs the \$20,000 or
25 whatever you're discussing on property taxes. Did you have

Amy's Kitchen, Inc.

1 a question?

2 MR. O'DONNELL: Can you just explain the
3 layout, what all those building are?
4

5 MR. RICHMAND: Well, this is a, this is an
6 open air shed, it's about 400 feet wide, 500 feet long,
7 seats about 12,000 people, it has a dirt floor, has open
8 sides, it won't be used except for those two or three days
9 a year. These are toilet buildings, very simple, these two
10 small barn like buildings just a place for supporting the
11 event and then this is an area another building for the
12 children, it's like a crash when the people go to the
13 event, a parent with children will stay here and watch the
14 kids. There are two caretaker houses on the facility,
15 there are no other residents, nobody lives there other than
16 the caretakers. And then there's some parking associated
17 with it, most of the parking is an orchard, what we call
18 orchard parking here and here just trees planted in rows on
19 the grass so that those 363 days when it's not being used
20 it can be a productive orchard. We also will be using some
21 parking off-site, either using leasing or local farms or
22 something for a couple of days and that's the, that's all
23 that's proposed.

24 MR. O'DONNELL: So is it similar layout to
25 what's in Petaluma, California?

1 Amy's Kitchen, Inc.

2 MR. RICHMAND: Yes.

3 MR. O'DONNELL: So now when you subdivide the
4 60 acres, it's all going to be Science for the Soul and
5 when is that subdivision taking place?

6 MR. CORDISCO: Mr. O'Donnell, part of our
7 application to the Goshen Planning Board is to subdivide
8 this into one, excuse me, into a separate lot so that the
9 Amy's facility is located on one lot and Science for the
10 Soul is located on the other lot, Amy's Kitchen is, full
11 intention, part of the process they want to do for Science
12 of the Soul something that they believe in very strongly
13 and that they're going to build it and donate it to Science
14 of the Soul but in order for them to give to Science of the
15 Soul it has to be on its own separate lot.

16 MR. O'DONNELL: First let me just say that
17 it's, sorry, just a couple more things, Mr. Chairman or I
18 can wait until the end?

19 MR. ARMISTEAD: Go ahead.

20 MR. O'DONNELL: Thank you. It's about for me
21 transparency on that section as far as Amy's Kitchen, the
22 board, congratulations on getting, Maureen, congratulations
23 on bringing them to Goshen, Doug, alright, it's an
24 unbelievable company from what I know, 700 jobs. One of
25 the slides you don't give yourself enough credit, you had

Amy's Kitchen, Inc.

1
2 \$28 million for salaries on one and 25 in the other. If
3 it's 28, make 'em both 28, alright? So give yourself as
4 much credit as you can, that's \$40,000 per job average,
5 that's pretty good in these economic times. So
6 congratulations on that. But some of the concerns that I'm
7 hearing is about Science for the Soul so I know in
8 Petaluma, California they just went to the Airport
9 Commission out there which controls their property to get a
10 variance on, so what they want so everybody in Goshen knows
11 they went for weekly meetings of 800 people twice a year to
12 meetings of 1,500 people at a two day event twice a year
13 and like you just mentioned the three day event for--

14 MR. RICHMAND: For 12,000.

15 MR. O'DONNELL: -- 12,000 out there so I'm
16 assuming eventually they'll get to that tear so you're not,
17 my comment is more for you to just educate the community
18 rather than a year from now it's 800 so you can go out to
19 the future and it's not negative, it's just a lot more
20 transparency. I would appreciate it if somebody was here
21 from Science for the Soul. Let me just, couple more
22 things, I know there's a group going out to visit your
23 plants and I think that's great and I mentioned to
24 Mr. Petro I think somebody from the IDA should go out there
25 also, right, to view everything so the more people from

1 Amy's Kitchen, Inc.

2 this community understand what's going on with Amy's
3 Kitchen, Amy's Kitchen's association with Science for the
4 Soul is better for everybody.

5 MR. RICHMAND: Well, thank you, may I respond
6 just briefly?

7 MR. ARMISTEAD: Sure.

8 MR. RICHMAND: First of all, I appreciate your
9 comments and I totally understand your curiosity about the
10 Science of the Soul and we agree with you about
11 transparency, we said from the beginning that Science of
12 the Soul was part of this project. Now if you come tonight
13 to the planning board at 7:30 you'll see a presentation
14 that includes much more detail about Science of the Soul.
15 We didn't bring it here and we didn't show it here because
16 as we have said before, it's really not relevant to what
17 the IDA is doing, it's a separate, I mean, it's part of
18 this project but all the economic as you have mentioned all
19 the economic incentives are for Amy's, nothing to do with
20 Science of the Soul. So, sir, I'd encourage you to come
21 tonight at 7:30, we have images of the center in Petaluma,
22 a representative from Science of the Soul who will talk a
23 little bit more about the organization, history, philosophy
24 and what actually happens at these events, please come
25 tonight. Anybody who's curious relative to the Petaluma

Amy's Kitchen, Inc.

1 where I live we have applied in, we have been operating our
2 center in Petaluma for 15 years, we've had large events
3 there, they have been flawless, there's never been any
4 issue with the community. We have a lot of support in the
5 community, we're expanding, we're seeking application to
6 expand in Petaluma because we ultimately want to have two
7 national centers, one here in Goshen and one in Petaluma so
8 we can have these large gathering and we can go through the
9 county review process. There was a question by the Airport
10 Land Commission about its use because we're near an airport
11 and we're going through that analysis, it's totally
12 transparent. I'm glad you brought it up.

14 MR. O'DONNELL: And in California you're zoned
15 as a church?

16 MR. RICHMAND: Yes, it's a religious 501 3c
17 organization and the church use is permitted in this zone.

18 MR. O'DONNELL: So I hope it's permitted here
19 though.

20 MR. ARMISTEAD: Thank you for your questions,
21 Jim. Question in the back sir? State your name.

22 MR. WESTERVELD: I'm Jay Westerveld with
23 Orange County Web. My question right now is just with the
24 Science of the Soul thing a gentleman said earlier that it
25 wasn't a religious organization but I think you just now

Amy's Kitchen, Inc.

1 said that it is. I know you're saying that it is not
2 relevant to the actual IDA action but being that the
3 procurement you know relies on IDA and then there's a sale
4 or a donation rather slated for later I would think it
5 actually does hinge on this it, as part of it, and should
6 be weighed into a decision. But my question I really, and
7 I know maybe this isn't the place so I'll certainly attend
8 tonight's planning board meeting, but the Science for the
9 Soul really needs to be explored a little more and I'm a
10 huge fan of, I'm just so you know I'm also bicoastal
11 throughout the year I spend a lot of time in northern
12 California to say that the, first I wanted to know does the
13 conference center have on-site housing? I stay at
14 conference centers and typically I have never stayed in one
15 that didn't have housing for participants. And I know you
16 made the point this helps because participants use local
17 hotels, I presume this one doesn't have--

19 MR. RICHMAND: There's no housing on site
20 except for the caretaker housing, maybe some dormitories
21 where volunteers might stay for the event but the people
22 attending will not be staying there, they'll be going to
23 hotels. I'm wondering if this might be better to discuss
24 at the planning board.

25 MR. WESTERVELD: I'm wondering if it really

1 Amy's Kitchen, Inc.

2 still should affect the IDA's decision because again you're
3 getting huge tax breaks to get this land with the intention
4 of then donating some of it to a religious organization.

5 MR. RICHMAND: I'll leave that up to the board
6 to discuss it.

7 MR. PETRO: I agree that it is more of a
8 planning issue. You have to realize if Amy's had brought
9 us just the bottom portion of that site there that's what
10 we're looking at, they could have done this a year later,
11 two years later at any time and it's really not relevant to
12 what we're looking at at this time. The incentives are
13 strictly based on what they're building below Amy's
14 Kitchen, there are no incentives for the non-profit and it
15 really has no bearing I think at this point. So I think
16 it's, if you want to ask I think you're fine but more at
17 the planning board level tonight and find out more about
18 it.

19 MR. WESTERVELD: Thank you.

20 MR. ARMISTEAD: And the IDA will be tuned to
21 what goes on tonight as well. I don't know if any of us
22 can make it tonight but we'll be able to pick up on any of
23 the information that comes from that meeting. But again,
24 we're here on economic development, that's what the IDA's
25 all about, we're talking about jobs, job creation, economic

1 Amy's Kitchen, Inc.

2 stimulus in the county, that's what our goal is. But the
3 questions are well raised and I think it was good
4 discussion. Doug, would you like to make a comment?

5 SUPERVISOR BLOOMFIELD: I would. I'm Doug
6 Bloomfield, Town Supervisor of Goshen. I grew up in
7 Goshen, graduated from the elementary school, middle
8 school, high school, live on a farm that I worked on when I
9 was young boy, I came back, I retired back to Goshen, I
10 lived in California and Delaware, many places, always
11 wanted to come back to Goshen. So I'm very protective of
12 Goshen. But I want to, but I also spent my entire life
13 working for DuPont Chemical Company and I know the value of
14 industry and business to a community. To me and this is
15 what I said when we had the, when they made application to
16 the planning board, this is like the Erie Railroad coming
17 to Goshen back in 1841. When the Erie Railroad came here
18 and stopped here and they came here by the way
19 agriculturally involved so we can get milk and butter and
20 whatnot from Orange County, a farm county to New York City
21 because it would spoil in years before that so they had to
22 make butter and cheese and take it in wagons and so it
23 opened up a whole new arena for the Village of Goshen. And
24 as soon as it was built and stopped in Goshen for two or
25 three years until they got money to build it beyond, two

Amy's Kitchen, Inc.

1 huge hotels were built in the village, the St. Elmo Hotel
2 and the Oxidental Hotel. Each one had 50 rooms, nothing
3 like that had ever happened in the Village of Goshen, okay,
4 so they went from wagons to buggies, you know what I mean,
5 it was kind of uptown. I see this the same way. Nothing
6 but good is going to come from this. Me and the board all
7 agree with that, we have looked at the numbers, we have
8 looked and I will tell you you're not the value system, I
9 was a director in the DuPont photomask business, that's
10 electronic materials business and I learned early on the
11 value of employees, employees are your most valuable
12 resource. And when I heard Rachel talk about \$264,000 for
13 scholarships for the children of their employees, when I
14 hear about the \$5.00 co-pays for a family member coming in
15 who's ill or needs a physical exam or the employee getting
16 a physical exam today's environment you're not going to
17 find companies like that. You're just not going to do it,
18 okay. And because they're owned by Wall Street and you
19 can't find and you cannot follow your own value system and
20 so I love it when Rachel up here is tearing up about a
21 letter, to me that says it all, she's pretty good people
22 and Andy the same way, I referred to him, I apologize, I
23 referred to him as an old shoe, I mean this is at the IDA
24 meeting because you're so easy to talk to, you're good

1 Amy's Kitchen, Inc.

2 owners of this business. And where I'm coming from I trust
3 the people in this company to take care of the people who
4 work for them. To me, that's the primary money and the
5 taxes is fine. But the people go to work for you, they're
6 the ones whose lives you're going to impact and I feel
7 very, very good about that. And Science of the Soul will
8 be talked about tonight, that's a good thing too so but
9 anyway but in terms of bringing a business to Goshen and to
10 Orange County, you know, it's a good thing for us and so
11 anyway myself and the board support it 100 percent.

12 MR. ARMISTEAD: Thank you, Doug, appreciate
13 that. I would have to agree with you, this IDA board is in
14 huge support of this project as well. We analyze it in all
15 different facets, Maureen and her staff did a great job
16 guiding us along that path. And I can tell you that the
17 IDA board is a big supporter of this project. We think
18 it's a huge win for not only Amy's Kitchen but the County
19 of Orange. So thank you for your comments. As a
20 businessman that has a lot of employees I can tell you I
21 look at that as well and that's the key thing, your
22 employees are your biggest asset and you need to take care
23 of them. This is a how you keep good employees. So I was
24 impressed for what you told me.

25 MR. PETRO: I think they should get the co-pay

1 Amy's Kitchen, Inc.

2 down a little bit though.

3 MR. ARMISTEAD: Any other comments from the
4 public? Yes?

5 MR. BROWN: Hi, my name is Tim Brown,
6 President of Valley Central Teachers Association. First of
7 all to start off as a health teacher who has to convince
8 kids to eat right when they got Twinkies and Pop Tarts,
9 it's kind of nice to see the change, not that nutrition is
10 my expertise. When teachers get off script, we tend to go
11 on and on, so I do have a little script. Good morning to
12 Amy's Kitchen, I really do like a lot of the things that
13 you're doing, I appreciate the fact that this hasn't become
14 a Wall Street firm. We always hear we have an obligation
15 to our stockholders as, and excuse me for not doing the
16 right thing and I haven't heard that from you which is
17 wonderful also. To the Orange County IDA, you have done
18 some nice things recently and I'm comparing you to some
19 things that happened in Montgomery which is where I'm from
20 and I think the Orange County Industrial Agency has taken
21 some steps in the right direction in terms of how they deal
22 with some things so I'm appreciative of that, sir. My name
23 is Tim Brown, I'm President of the Valley Central Teachers
24 Association and President of the Orange County Teachers
25 Association. We represent 18 different educational

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1 institutions, 18 different topics come about every other
2 month and we have meetings. One of the main topics of
3 discussion has been the impact of IDA PILOT deals on
4 schools. So let me make it perfectly clear up front that
5 I'm not an anti-IDA person, although it's possible when I
6 say things that may appear that way at times I realize that
7 unfortunately if one state plays that game we have to play
8 that game. If Newburgh plays that game, Middletown wants
9 to play that game because we're all in competition with
10 each other. The problem with that game it tends to create
11 sometimes a level of competition that creates problems,
12 unintended problems for other groups of people. Mr. Robert
13 Karchawer is the President of the Goshen Teachers
14 Association, a member of our OCTA but he's unavailable this
15 morning as his proctoring schedule with exams prevented him
16 from being here but he did ask me to make some remarks on
17 his behalf. The impact that PILOT programs have on local
18 school districts is a concern to the Orange County Teachers
19 Association and again, that has been an important topic of
20 discussion throughout the past year, it's our job to
21 provide and advocate for the best education for Orange
22 County's children. I hope you will agree that a
23 well-rounded education is not only the key to personal
24 success for our kids, it's also the cornerstone of economic

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1 development for our county both today and in the future.
2 Good schools attract business and residents that keep
3 property values up and they spur development. Our county's
4 Industrial Development Agencies should do nothing to
5 jeopardize that. Since 2008, many of our school districts
6 have experienced very difficult financial situations,
7 probably not unlike California. In fact, we seem to be
8 following California unfortunately. And it's led to
9 tremendous program cuts. Therefore, while we welcome the
10 continuing expansion of the organic supply chain in the
11 Hudson Valley, it is essential that it be done with due
12 consideration to the needs of our school children, their
13 families and their future. Organic food manufacturer Amy's
14 Kitchen is coming to Goshen, by the way, I do welcome you
15 despite the fact I think you're wonderful. But you're
16 doing so under multi-million dollar subsidies which are
17 under discussion here on the heels of organic food
18 distributor United Natural Foods' expansion in Montgomery,
19 also subsidized by multi-million dollar tax breaks. As
20 they were making that deal, my school went from full day
21 kindergarten to half day kindergarten. We lost music, we
22 lost art at the many elementary level and library, we have
23 some back this year. Unfortunately, that's not what
24 happened as a part of United Food's tax benefit package
25

1 Amy's Kitchen, Inc.
2 approved in 2003. In the UNFI deal, desperately needed
3 school revenue was given away without parents, kids or
4 educators' input or taking into consideration what a
5 difference it would truly make to cash-strapped schools.
6 As a consequence, a kid entering kindergarten this year
7 will graduate high school before UNFI pays its actual share
8 of school taxes. In fact, critical educational programs we
9 have lost in Valley Central, I have kind of already
10 mentioned them. Instead, after the UNFI deal was already
11 done, taxes went up twice on homeowners and local
12 businesses in Montgomery shifting the tax burden to our own
13 folks. I would like to make it clear that a conversation
14 between the school or school district representatives and
15 the town does not make the current process ethical or
16 beneficial and here's why. A town or a village board can
17 legally enter into a tax abatement deal with a company such
18 as UNFI or Amy's Kitchen that also obligates the school
19 district even though these are two separate and distinct
20 public institutions with different revenue streams.
21 Imagine how a town board would feel if the school district
22 could enter negotiations with a corporation without
23 approval of the town while obligating the town to whatever
24 deal the Board of Education agreed to on the town's
25 unwilling behalf. I believe it's safe to say that there

Amy's Kitchen, Inc.

1 would be an outcry from towns and villages across the
2 state. This is why the Orange County Teachers Association
3 feels the need to speak out and I hope that the Orange
4 County IDA and Amy's Kitchen will consider the importance
5 of public education in its discussion. Fifteen years is a
6 long time for students to wait for needed support and
7 that's a quote from Robert Karchawer, the Goshen President
8 of the Teachers Association. I will also say that I didn't
9 put it in my notes is that immediately after the UNFI deal
10 was reached in Montgomery, the town raised the taxes by
11 16.58 percent and it only takes a seven member board to do
12 that, they don't have to take out the entire community like
13 a school district does, we asked for about a two percent
14 increase under the tax cap which is now the law in New York
15 State and were essentially voted down. This year we did
16 pierce the tax, the tax cap with three point some percent
17 but that's not 16.58 percent like a town or village can do.
18 So you guys have some distinct advantages, I'm not saying
19 that makes you good versus bad, just want to remind you
20 that there's different rules that apply to us while we're
21 trying to educate and service children. I ask that the
22 Orange County Industrial Agency learn from the mistakes of
23 the Montgomery IDA and not repeat the UNFI situation. I
24 say to Amy's and to the Orange County Industrial Agency and
25

1 Amy's Kitchen, Inc.
2 to Orange County elected representatives to please commit
3 here in writing that Amy's Kitchen will pay in full its
4 school taxes and establish that as a policy of the IDA be
5 by owners, be people who are out in front and look at the
6 big picture because our kids must be protected. And I
7 thank you for listening.

8 MR. ARMISTEAD: Thank you for your comments.
9 I'm glad you clarified that that deal was the Town of
10 Montgomery's IDA and we recognize what you're saying. I
11 have to tell you that this board seven members are all
12 parents and grandparents of, and taxpayers of students in
13 the county school systems. I have two grandchildren in the
14 Valley Central School District and Middletown schools, I
15 have another in Warwick so we all feel the pain of what
16 you're saying. And this board takes all of that into
17 consideration, we weigh it, we do look at the numbers, we
18 look at the impact cause it's, we're the taxpayers too and
19 we're representing all of the taxpayers in the county. We
20 look at these deals, we vet them completely, we look at it
21 from all angles, we listen, we appreciate the school
22 boards, school districts being represented at these public
23 hearings and so we do appreciate your comments and thank
24 you for them. Any others?

25 MR. SMITH: I appreciate the comments, I just

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1
2 want to give a little offsetting operation in the course
3 of--R.J. Smith, the happenings within the Valley Central
4 School District, I serve on a school board of an adjacent
5 school district. All eyes were on Valley Central last
6 couple years because they did go through some challenging
7 times, this question did rise to the surface, we know
8 attracting quality economic development makes it possible
9 for more employment but potential sources of revenues that
10 support school districts, local government, county
11 government. From the standpoint of Valley Central for the
12 purpose of illustration you identified six corporate
13 residents of Valley Central School District, all in the
14 Neelytown Road area, all of whom who were identified,
15 recruited and located and ultimately located in Orange
16 County, in Valley Central in part because they were drawn
17 by economic incentive and other considerations. These are
18 all companies who have been here long enough that their
19 PILOT and their exemption has expired. Those six companies
20 paid one in every \$10 of the local tax revenue levy, local
21 tax levy of the Valley Central School District. So the
22 idea is to bring in all the benefits of economic employment
23 and to let a company cause a company like Amy's opens up
24 it's years before this facility is profitable, alright. So
25 let them, the tax obligation starts to accrue and ratchets

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up over a period of time if not for that definitely small compared to major Fortune 500 companies. And Rachel will admit they're a small company, very small compared to Home Depot is one of the companies there. Cardinal International is one of the companies, multi-national companies, Staples is one of the companies on that list of five that we looked at, yellow freight. So while it's appreciated the frustration of trying to generate revenues that are needed today we also have to plant the seeds that are going to generate the revenues and thank God for Valley Central, those in the community lured these six companies cause otherwise they'd be ten percent of the tax revenue that Valley Central used over the last couple years would not have been available for them.

MR. ARMISTEAD: Yes, the one in the blue?

MR. RUSSELL: My name is Barry Russell, President, Teamsters Local 445. Our office is right here on Stone Castle Road. Our address is Rock Tavern, most people think we're in Newburgh. We pay our taxes to Montgomery so it's a confusing location to be in. We represent over 3,000 members from as far as south as Yonkers, New York and as far as north Ulster County and Sullivan County. I'm here to speak on behalf of the Teamsters of Hudson Valley New York. We're now being look

1 Amy's Kitchen, Inc.

2 failed to make an impact on high unemployment and poverty

3 in our county. UNFI, Amy's, we expect better behaviors

4 from companies that champion sustainability. Supporting

5 our communities and our children also means ensuring that

6 the parents have good jobs, another issue where UNFI deal

7 has produced a lot of controversy has been the fact that

8 too many local skilled construction workers were left at

9 home unemployed as the company brought out of state

10 contractors for a large portion of their work. We can't

11 stand for that, that's just bad policy and it hurts hard

12 working folks from right here in the Hudson Valley. We

13 know the IDA board has recognized there is a problem. In

14 April, 2014, you passed a new labor policy requiring 85%

15 local labor content during construction of IDA supported

16 projects, we ask you and Amy's Kitchen to commit in writing

17 to make this the first project to fall under this

18 requirement and to commit to area labor standards. We also

19 welcome your promise to create 680 jobs but your

20 application shows you intend to pay \$20,000 to \$26,000 a

21 year on average for full time work, that's not a living

22 wage in our county. As this gentleman pointed out on the

23 slides one slide says \$25 million in payroll, another one

24 said 28 but on their application the annual pay scale is

25 \$18 million so now we have two, we've got 18 on the

Amy's Kitchen, Inc.

1 official document, we've got 25 and 28 so based on the \$18
2 million payroll that's on the official documents comes to
3 about \$26,000 a year on average for full time work. That's
4 not a living wage in our county. Cost of living is high in
5 this area just to scrape by as a single parent with one kid
6 needs around \$40,000 a year. When we give corporations
7 millions in tax benefits our families in Orange County
8 deserve something better than working poverty. It it also
9 important that unlike in the UNFI case maximum transparency
10 and full documentation be provided to the public, and all
11 conflicts of interest be cleared before a final decision is
12 reached. Our folks are hard working, reasonable people
13 looking to make sure the public dollars meet public
14 interest. We ask Amy's Kitchen representatives and the IDA
15 board to weigh carefully those considerations and follow up
16 with us as soon as possible. Thank you very much.

18 MR. ARMISTEAD: Thank you. You're correct, we
19 have the County IDA, our board has heard, you know,
20 building trades, the local labor forces in the area we have
21 come up with a labor policy, that will not apply to this
22 particular project because they applied way before we
23 enacted that policy. But I do now that Amy's Kitchen has
24 reached out to the local building trades we're talking
25 about the hiring local contractors and building trade

1 Amy's Kitchen, Inc.

2 people which is a good thing and I, Dominic informed me
3 there was a very good meeting I understand just recently,
4 right, the original application that was submitted how many
5 months ago was that was your, right, 18 million so maybe
6 somebody from Amy's could address that?

7 MR. RUDOLPH: Yeah, when we presented that we
8 included the benefit portion to the base pay so that was an
9 all inclusive number, that's the difference between the
10 two.

11 MR. ARMISTEAD: The one on the screen?

12 MR. RUDOLPH: Yes.

13 MR. ARMISTEAD: To his point though then
14 you're saying that the, you're basing your comments on
15 salary?

16 MR. RUSSELL: Yes.

17 MR. ARMISTEAD: Without the benefits?

18 MR. RUSSELL: I can tell you right now I don't
19 know if anybody in this room is going to survive on \$26,000
20 a year.

21 MR. PETRO: I didn't think the slide said
22 that, to be honest with you, I think one slide the
23 28 million was just salaries, I could be wrong but the
24 25 million was salary and benefits, that slide I remember
25 but the \$28 million slide you should look at again.

1 Amy's Kitchen, Inc.

2 MR. RUDOLPH: Yeah, it included benefits.

3 MR. O'DONNELL: Well, I don't, we'll look at
4 the slide again before tonight.

5 MR. ARMISTEAD: Did you look at the full
6 application cause on page six of the full application? No,
7 that's construction jobs, Kevin, I believe, I'm sorry, I
8 stand corrected under Article I, in the application for,
9 says reported that they would have 681 permanent jobs,
10 estimated annual salary range of 20,000 to 150,000 so, you
11 know, obviously there are going to be lower scale salaries
12 but they're going to be, you saw the, what was presented on
13 the screen of the various positions, you know, not
14 everybody is going to be an HR manager or engineer or plant
15 management but there will be a lot of I guess workers on
16 the assembly line, so to speak, they'll be lower salaries
17 I'm sure.

18 MR. RUSSELL: How are those people expected to
19 sustain a lifestyle? What are you going to do, leave Amy's
20 Kitchen making \$20,000 a year whatever that comes to hourly
21 and go to a second job, work eight hours there just so you
22 can put food on the table? I don't know, I'm just saying I
23 don't think the wages, I don't think it works. And I will
24 also say and has nothing to do with this thing too, when we
25 sat in the UNFI meetings they came out quite frankly and

1 Amy's Kitchen, Inc.

2 said we're going to pay 25 percent less than the average
3 wage in the area and they still were allowed to walk away
4 with bags full of money, somewhere along the line doesn't
5 make a lot of sense. People are not going to be able to
6 live working those jobs. Great to have 600 plus jobs but
7 they have to be able to sustain a lifestyle, you know what
8 I mean? If you're going to live in this area so--

9 MR. ARMISTEAD: There are a lot of people in
10 this county that are unemployed and there is a lot of
11 people that are working for less than that right now as we
12 all know.

13 MR. RUSSELL: Yes, I agree.

14 MR. ARMISTEAD: I know we look at economics of
15 it and, you know, it's a game as soon as they open the
16 doors they start paying taxes that we were, that particular
17 area wasn't even receiving. So that's, we look at it that
18 way too. I hear what you're saying, it's a valid point and
19 it's debatable.

20 MR. RUSSELL: That's okay.

21 MR. MC CAREY: John McCarey, Director of Real
22 Property for Orange County. Underneath New York State law
23 they're automatically entitled to a 50 percent reduction in
24 taxes on their 485 B, building new construction, this
25 particular plan is a 15 year PILOT which would make a lot

Amy's Kitchen, Inc.

1 of sense because it is a number of employees they're
2 bringing into, unlike many of those trucking terminals
3 where they're bringing 100 jobs, they're bringing in six
4 times that, many over 600. And currently it's a piece of
5 vacant land paying \$30,000 a year in taxes, been vacant for
6 a number of years. By being able to build this Amy's
7 Kitchen here in year 15 they're going to be paying \$1.81
8 million, one point, \$188 million just in school taxes
9 alone, okay, so 10 years, 15 years go by quickly. And as
10 Mr. Smith said when you look at Neelytown Road the number
11 of places built here it gradually coming up to full taxes
12 so great, great benefits for the county, the local town and
13 the school district from bringing in industry like this and
14 providing jobs and both a multiplying factor is tremendous
15 on the number of employees and other benefits.

17 MR. ARMISTEAD: Thank you. And we worked
18 closely with John's department looking at the cost benefit
19 analysis and all this comes into play, like I said, we do
20 vet this and we all work together as a team, we are all
21 looking at these issues because we're concerned, we don't
22 want to give the farm away, believe me. Yes in the back?

23 MR. WESTERVELD: Jay Westerveld again. I had
24 one more question just for Amy's at large and a suggestion,
25 and for this question I'm sort of switching hats. I serve

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2 on the advisory board of Rising Valor, Foundation for
3 Veterans Association and I'm hearing discussions about
4 incentivizing, hiring certain sectors or helping out
5 getting in writing that certain taxes won't be affected.
6 I'd like to understand if there is a policy or could be a
7 policy written in to incentivize the hiring of veterans
8 here in Orange County at Amy's.

9 MRS. BERLINER: One thing we're working on
10 with veterans we're working with just trying to get
11 veterans to work on organic farms for incentives to start,
12 if they're interested in organic farms.

13 MR. WESTERVELD: There's no program being
14 considered to incentivize Amy's hiring of veterans?

15 MRS. BERLINER: We're open to it but we, one
16 thing that we have done is really, cause we really want
17 people to start farming, there's not enough organic farms.
18 So there's a program of working and training former Vets to
19 learn organic farming which is a very healing thing as
20 well.

21 MR. WESTERVELD: Doesn't pay well though.

22 MRS. BERLINER: Organic farming?

23 MR. WESTERVELD: Believe me, I'm with you.

24 MRS. BERLINER: When you have your own farm it
25 does, it pays well.

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2 MR. ARMISTEAD: We have a representative from
3 the Goshen School District, would you want to share any of
4 your thoughts?

5 MR. MILLER: Yes, I come to these things as of
6 often as you have them and to always express the Board of
7 Educations' concern that, you know, taxpayers are hurting
8 school districts, are hurting, you know, we have a tax cap,
9 we have a, this year we can only raise 1.85 and the state
10 aid is basically flat and as much revenue as we can bring
11 in terms of increased tax rolls helps the taxpayer, helps
12 the school district to provide education for your children.
13 So I was a little concerned about why this was a 15 year
14 PILOT rather than a 10 year PILOT. Traditionally, you have
15 10 years, we'd like to see something less, we'd like to see
16 five to have the money come in sooner. So I was wondering
17 if you can give me an idea of what the Goshen Central
18 School District would expect to receive in terms of a PILOT
19 payment on year one of this PILOT agreement?

20 MR. PETRO: I'm going to address a couple
21 different, John, hand him that, that will explain it.

22 MR. MILLER: I'd like to hear it.

23 MR. PETRO: Before, a lot of people don't
24 understand exactly how the PILOTS work, I try to explain
25 this so many times, I think Tim I did speak with you on the

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2 phone. One item that you said that just stuck in my mind a
3 little bit is you have to wait 15 years to be receiving the
4 taxes, which really--

5 MR. BROWN: The full tax.

6 MR. PETRO: Correct, so we have to understand
7 that in, when it starts and I know a lot of you know this
8 already, but I have to say it for the people who don't, the
9 land tax is never abated. So right now the school is
10 receiving the \$30,000 that's paid on the land approximately
11 73 percent of that tax is school paid so if you're getting
12 22 or \$23,000 a year now for the property, that's not going
13 to be abated under any PILOT of any kind. Along with that
14 are any special district charges that the town or village
15 or any municipality would receive is also not abated, it's
16 again New York State law they cannot be abated, the towns
17 have to pay them and the applicant has to funnel it
18 through. You have to realize that you're saying you're not
19 getting the tax money, you're not getting it now to start
20 with in year one, on the 15 year PILOT you're going to be
21 getting five percent more on the entire project than you
22 are today. So to me and to anybody who thinks logically
23 five percent is certainly more than a hundred percent of
24 nothing the last time I checked I'd rather have
25 five percent. The time goes very quickly in year 10 you're

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1 at, you're going to be at 60 percent of what you would have
2 been receiving. It is true the entire 15 year PILOT
3 55 percent is abated, that's what's abated, 55, it's also
4 the same amount on the 10 year just that it's over a longer
5 period of time. And as Mr. McCarey said also you have to
6 realize they can, just go to the Town Hall, get a 485 B one
7 page form and that's 27.5 percent right off the top, they
8 don't even have to have no public hearing here,
9 automatically entitled to that. So it's the difference, so
10 the school is not giving up anything. I say this a
11 thousand times, I try to educate people with it, you're
12 getting five percent more immediately, the land tax is not
13 abated, it's a special district, charges are not abated,
14 you're getting more than you are today. Would it be better
15 if Amy's says never mind, we're not coming, would that make
16 the schools happier? I don't think so. I just find it
17 hard to believe, I'd rather have the five percent more the
18 first year and then on top of everything else the
19 multiplier that they're talking about is in the millions
20 and millions and millions of dollars. And the time period
21 as John just said 10 years goes by very quick, 15 years,
22 everybody in the room can just think for a second you were
23 in high school a minute ago, maybe I more than 10 years I
24 would say yes, time flies, you're getting more than you are
25

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2 today, you're not going backwards. If we were, I agree
3 with you 100 years because you certainly can't take
4 anything away from the assessed value. But we're not doing
5 that, the land stays in full, special districts are in full
6 and you're getting more the first year on top of the
7 multiplier, on top of the 681 jobs and the \$95 million
8 that's going to be spent here to build this project and
9 we're keeping an eye on if we see Tennessee license plates
10 you call me, if you see that, you call me, I'm going to get
11 in the car and then I'll call up Amy's and we'll talk about
12 it. Now they're not privy to the new policy but there's
13 still a common sense that has to apply, we're watching
14 that, correct.

15 MR. ARMISTEAD: That's right.

16 MR. PETRO: We're moving on it.

17 MR. ARMISTEAD: They're under the old labor
18 policy.

19 MR. PETRO: That doesn't mean they're not
20 paying attention. They're talking, Dominic, you have met
21 with the trades, correct, you're talking with Amy's, you're
22 making progress there.

23 MR. CORDISCO: Yes, I mean, we met with the
24 Construction Contractors Association, we met with Local
25 number 17, we're happy to meet with anybody else. And what

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2 we have committed to is what Mark said as part of his
3 presentation we're committed to using local labor provided
4 that they're qualified and competitive, I mean, beyond
5 that, you know, I don't know what you want us to do other
6 than to tie our hands completely.

7 MR. ARMISTEAD: Thank you.

8 MR. PETRO: I'm done.

9 MR. BROWN: From the school district if you
10 indulge me for a second, most of what's being said from I
11 think concerns from both sides I don't think I have any
12 major agreement, I think there's times, there's an
13 emphasize that we have to be careful of so it's my
14 understanding that you are a teacher for 30 years so when I
15 hear that 10 years goes by quickly I get frustrated with
16 that. I have heard that from a couple of you, if you have
17 ever taught and you're dealing with children, 10 years is
18 their life. We're going to have day kindergarten with, in
19 my, I realize this is Goshen and I'm here trying to
20 represent Robert the best way I can as an Orange County
21 president but we had kids last year getting half day of
22 kindergarten and the, if you know anything about
23 kindergarten by the time you get the shoes off, get them
24 settled and back on the bus, it's a really rough process.
25 And we're going to have class sizes next year between 33

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2 and 35 in first grade. So these kids are new, cheated out
3 of a half day of kindergarten, we have a governor who wants
4 to mandate universal pre-K and how in God's name are we
5 going to fund that and now we're going to have class size
6 probably double what they should be in terms of, so I don't
7 know how more gently to put it, these kids are getting
8 screwed is what it comes down to, down to ultimately. And
9 I would say to Amy's Kitchen who again I love the company,
10 I really do, but I would say that you say that California
11 doesn't have those types of tax breaks either and yet
12 you're able to build your company into the company that you
13 are. I would strongly ask that the IDA and Amy's Kitchen
14 have some serious conversations about the impact that it
15 will have on the school district. I'd also like to say
16 that again I'm not opposed to the concept of PILOTS, I
17 understand the necessity as much as they kind of stick in
18 my craw a little bit, I understand so I can see both sides
19 of it but the things that Mr. Smith's talking about, you
20 know, we have these companies coming in, schools weren't
21 restricted by a tax cap, there are schools out there that
22 for those of you who don't know we have this thing called
23 gap elimination, which basically says I will speak to my
24 school, we lost \$27.4 million and what they did was they
25 said you're not charging enough in local school taxes. And

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1 the way that the state dealt with this they punished us by
2 taking state aid away from us and then the governor comes
3 in and says we know a tax cap is going to sound really good
4 regardless of the consequences on education. So on top of
5 the gap elimination that takes money away from us, there's
6 a tax gap that says you can't raise taxes without a
7 60 percent super majority. So the idea of the PILOT
8 agreements made years ago have the same impact that they do
9 today is somewhat misleading. And I know Goshen in
10 fairness is in a little bit better spot than Valley
11 Central, but there are predictions that there are going to
12 be many, many schools that will be insolvent in this state
13 based on the way that the funding formula is working. What
14 I am asking you to do I do see things from your side, I'm
15 not blind to that, I want you guys to also try to look at
16 the frustration of being in education and people asking us
17 to work miracles with your children and we don't have the
18 resources to do it.

20 MS. HALLAHAN: Mr. Chairman, IDA board, thank
21 you so much for having us here today. And thank you to
22 Amy's for coming. These are huge issues that are across
23 the country but the hardest hit in New York these are crazy
24 mandates an issue and as a former school teacher I know
25 that it is something that we all have to be sensitive to.

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2 I just ask that you separate the fact that we have a
3 company now that's going to be a contributor to the school
4 district, thank God, and that didn't actually cause all of
5 those monumental things that we have to address as state
6 taxpayers, we have to address with our politicians, we have
7 to hit this hard in a different way. And I think one good
8 thing could come out of the really smart words that you
9 have spoken is that maybe on another day some of the most
10 powerful leaders in this community can band together and
11 start to address what's going on in the school districts.
12 I agree with that but with each new company that we bring
13 in whether the structure is a 10 year or 15 year number one
14 it has to be recognized that they won't come, they can't
15 come without it because our taxes and the regulations in
16 that state are so high it's impossible to attract business
17 here, otherwise--

18 MR. PETRO: We're rated 50 out of 50 in the
19 state as business friendly.

20 MS. HALLAHAN: I know everybody in this room
21 understands that, they know that. Number two, just as a
22 point of business today Amy's Kitchen culturally, just
23 integrity, just a company that's going to really put us on
24 the map nationally with one of the best products and in the
25 food industry fast growing solvent environmentally

1 Amy's Kitchen, Inc.
2 conscious and this is a company with integrity and I am the
3 most proud actually after being in my position for this
4 many years of what the promise will be, the growth around
5 our local farmers that have struggled so deeply. I don't
6 want to repeat everything that they said, but if we can
7 just sort of harness some of the energy in this room
8 absolutely let's always focus on the schools and importance
9 of that. But they didn't bring that to New York. What
10 they're bringing right now is solutions moving forward and
11 the promise of more revenue for the schools. So I ask that
12 we focus on that today.

13 MR. ARMISTEAD: Thank you, Maureen. Thank
14 you, Maureen works very closely with the IDA in the
15 partnership in tracking companies to come here. It's a
16 negotiated process that she's on the road constantly
17 dealing with, and the face of the county and try to entice
18 people to come to our county. And so we appreciate all you
19 do too. Any other questions?

20 MR. SMITH: I just want to point out one other
21 thing that having grown up on a dairy farm in Orange County
22 and coming from a farm family, I'm enormously sensitive and
23 I have worked very hard in the counties and municipalities
24 initiative to preserve farmland culture and as such open
25 space. I volunteered my time and my experience with local

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1 farm families in navigating through the process of selling
2 their development rights and working with the county
3 municipality, the state, the federal government open space
4 institute and collaboratively, all of us, we in our small
5 part of Crawford and Montgomery have 2,000 acres we have
6 preserved in perpetuity, you can only do that so often.
7 The only way to preserve our farms and our character of our
8 community which is the open space and the farming is to
9 preserve, make the farming economically viable, alright,
10 from all the reports I have seen, no reason to believe
11 otherwise, Amy's businesses supports 17,000 acres of
12 financially viable farming on the west coast and if their
13 products on the west coast is going to be duplicated here
14 there's a potential of preserving without federal and state
15 and local support in the way of big development rights
16 upwards of 17,000 acres. So I think that's a huge
17 potential benefit, we tried to work very hard to preserve,
18 2,000 acres, we were talking about 17,000 plus acres. So I
19 think it plays a major consideration in what we're thinking
20 about.
21

22 MR. ARMISTEAD: Thank you, R.J. And the board
23 did consider that, that's one of the other multiples, the
24 impact it would have on our farming industry, agricultural
25 industries in the county.

1 Amy's Kitchen, Inc.

2 MR. WESTERVELD: Jay Westerveld again. Real
3 quick, piggyback to what you gentlemen are talking about,
4 you know, I have spoken with a lot of farm advocates about
5 this and I'm a tremendous supporter of Amy's and I'm a big
6 end user of Amy's product. I'm familiar with west and east
7 coast farming, especially Orange County, I come from a very
8 old dairy farming family, I was delivered by Dr. Keys in
9 the Goshen Hospital here. The soils of California, the
10 salad bowl and all and the plant compositions, native plant
11 compositions are a lot different than what we have here,
12 especially in our black dirt, black dirt does make up the
13 majority of the acreage that we're talking about.
14 Unfortunately, I'm not familiar with a lot of successful
15 organic farming in our black dirt region. I'd love to see
16 that happen but because of the, because of the plant
17 diversity in this region, the fact that we don't have such
18 dry conditions, we have strong organic soils, our black
19 dirt soils are as you probably know broken down organic
20 product whereas alluvial soils in the west are a little
21 different, fewer than five percent of our farms are
22 actually organic right now in Orange County.

23 MS. HALLAHAN: You're going to see that
24 change.

25 MR. WESTERVELD: I doubt it, I'd love to see

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2 it change but a promise without someone from an
3 agricultural background tell me we're going to see that
4 change. I'm encouraged by Amy's offering you sort of
5 offered a scholarship to help farmers do organic, a grant,
6 how much can be earmarked for that? Because again, I
7 support it, I'd just like to see it be successful and not
8 be something we find out later just isn't doable here.

9 MR. BERLINER: We're having a full time Ag
10 person taking on this part of the country in this full time
11 Ag person spending all his time here. We have educational
12 facilities, educators and teachers, I think a lot can be
13 done, not every property from right here but a lot of them.

14 MR. WESTERVELD: That's encouraging.

15 MR. MC CAREY: In part of my official capacity
16 I sit on the Orange County Ag Farm Protection Board for
17 state law and I also sit on Cornell Cooperative Extension
18 Boards, both of those boards last three or four months
19 we've been talking about the great benefits they see not
20 for Orange County so much but also Sullivan, Ulster County
21 and other agricultural regions in the Hudson Valley with
22 the new company like this coming in. So I see great
23 opportunities, true, a lot of our farmers do not do
24 organic, they cater to New York City green markets and
25 stuff but they see tremendous opportunities and they see,

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you know, this is a way to really do some economic development in the agricultural sector of our county. And we're coming out with new Ag plans so there is a lot of side benefits just by having the company coming in who's in agricultural type business.

MR. ARMISTEAD: It's good for the region and we also talk about the Hudson Valley region, there are as you said, John, there are farms in Sullivan, Ulster and neighboring counties that can provide the organic goods. No more questions? I thank everyone for coming this morning and the board will take this back to our board.

(Proceedings concluded at 11:45 a.m.)

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5 I, FRANCES ROTH, a Stenographic Reporter and Notary Public
6 of the State of New York, do hereby certify:

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10 having been stenographically recorded by me and transcribed
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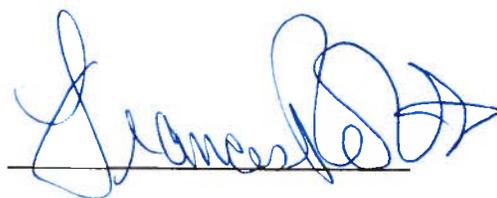
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13 That I am not related to any of the parties involved in
14 this matter, and that I have no personal interest
15 whatsoever in the outcome thereof.

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