

Empowering Businesses. Inspiring Growth.

Jeffrey Crist, Chairman • Dean Tamburri, Vice Chairman • Vincent Odock, Secretary • James Rinaldi, Board Member Susan Walski, Board Member • Marc Greene, Board Member • Giovanni Palladino, Board Member

William Fioravanti, Chief Executive Officer • Susan R. Katzoff, General Counsel • Christopher C. Canada, Bond Counsel

Governance Committee Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a Governance Committee Meeting on February 15th, 2024, at 5:00 PM at the Orange County IDA Headquarters, 4 Crotty Lane, Suite 100, New Windsor, NY 12553 to consider and/or act upon the following:

Order of Business

- Call Meeting to Order
- · Roll Call
- Proof of Notice
- Minutes
 - o Approval of Minutes from December 19th, 2023, OCIDA Governance Committee Meeting
- Committee Responsibilites
- · Policy Review
 - o UTEP
 - Local Labor
- Executive Session
- Other Business
- Adjournment

To watch the livestream, please visit our website: www.ocnvida.com

Dated: February 15, 2024 By: William Fioravanti – Chief Executive Officer



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Date: January 25, 2024
From: Jeffrey D. Crist
RE: Next Meeting Date

OCIDA Governance Committee Meeting Notice

The next Governance Committee Meeting of the Orange County Industrial Development

Agency is:

Thursday, February 15, 2024 at 5:00pm

OC IDA Headquarters 4 Crotty Lane, Suite 100 New Windsor, NY 12553

To watch the livestream, please visit our website: www.ocnyida.com

Orange County Industrial Development Agency
4 Crotty Lane, Suite 100 • New Windsor, NY 12553
Phone: (845) 234-4192 • Fax: (845) 220-2228 • Email: business@ocnyida.com

Orange County Industrial Development Agency

4 Crotty Lane New Windsor, NY 12553 (845) 234-4192

OCIDA Governance Committee Minutes

Tuesday, December 19th, 2023

Committee Members Present: Dean Tamburri, Giovanni Palladino, Dr. Vincent Odock

Staff Present: Bill Fioravanti, Marty Borrás, Billy Ibberson, (AV, via Zoom)

I. Call Meeting to Order

Acting Chairman Tamburri called the meeting to order at 5:00 pm.

II. Pledge

III. Roll Call

Mr. Fioravanti acknowledged the Committee and staff members present.

IV. Proof of Notice

The Acting Chair acknowledged that notice of the meeting was duly and properly provided.

V. Minutes

A MOTION TO ACCEPT THE FEBRUARY 7TH, 2023, OCIDA GOVERNANCE COMMITTEE MEETING MINUTES AS PRESENTED WAS MADE BY MR. PALLADINO, SECONDED BY DR. ODOCK, AND PASSED UNANIMOUSLY.

VI. New Business

2024 Proposed Slate of Officers: The Acting Chair read the prosed 2024 slate: Chair – Jeffrey Crist, Vice Chair – Dean Tamburri, Secretary – Dr. Vincent Odock.

A MOTION TO RECOMMEND THIS SLATE OF OFFICERS TO THE FULL BOARD FOR APPROVAL WAS MADE BY DR. ODOCK, SECONDED BY MR. PALLADINO, AND PASSED UNANIMOUSLY.

2024 Proposed Committee Assignments (* Committee Chair): The Acting Chair read the proposed 2024 slate of Committee Assignments:

Governance – Jeff Crist *, Dean Tamburri, Dr. Vincent Odock, Giovanni Palladino.

Finance – Marc Greene *, Dean Tamburri, James Rinaldi, Jeff Crist.

Audit – Susan Walski *, Marc Greene, James Rinaldi, Dean Tamburri.

Accelerator – Dean Tamburri *, Susan Walski, Giovanni Palladino.

A MOTION TO RECOMMEND THE COMMITTEE CHAIR AND THE COMMITTEE ASSIGNMENTS FOR 2024 TO THE FULL BOARD FOR APPROVAL IN JANUARY WAS MADE BY MR. PALLADINO, SECONDED BY DR. ODOCK, AND PASSED UNANIMOUSLY.

OCIDA/OCFC Annual Report/Project Updates: Mr. Fioravanti reviewed the report and noted that more than 20 new projects have been reviewed by this current Board of Directors, 7 projects have closed, and some others have withdrawn their applications. Some Board members had questions as to why a project would withdraw and Mr. Fioravanti explained the various scenarios including a warehouse project getting a 485B. He detailed the status of each project on the list noting that half of the projects that have been approved are moving forward.

Year-End OCIDA/OCFC Policy Review: Mr. Fioravanti advised that while the policies had been revised recently, he noted that they should go up for review again in 2024 with some minor revisions to be made to the UTEP and Local Labor Policies. Mr. Fioravanti gave a brief update on the State-appointed monitor which he noted would be discussed in detail at up-coming full Board meeting. Mr. Fioravanti also read the Re-Capture policy for the Board and noted some questions that the Committee members had to be discussed with Counsel.

A MOTION TO RECOMMEND FURTHER REVIEW OF THE UTEP, PROJECT APPROVAL, RECAPTURE, PROCUREMENT, DISPOSITION OF PROPERTY, AND LOCAL LABOR POLICIES BY THE FULL BOARD AND REQUEST THAT THEY CONSIDER MINOR REVISIONS WAS MADE BY MR. PALLADINO, SECONDED BY DR. ODOCK, AND PASSED UNANIMOUSLY.

VII. Adjournment

A MOTION TO ADJOURN WAS MADE BY THE ACTING CHAIRMAN, SECONDED BY MR. PALLADINO, AND PASSED UNANIMOUSLY.

The meeting closed at 5:28 p.m.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY UNIFORM TAX EXEMPTION POLICY AND GUIDELINES

(Revised June 13, 2019)

The general policy of the Orange County Industrial Development Agency ("Agency") is to grant applicants real property tax abatements (or exemptions) and exemptions from sales, use and mortgage recording taxes as described below. The Agency may grant additional benefits outside the guidelines set forth herein on a case by case basis for a project expected to have a significant economic impact on Orange County as determined by the Agency at its discretion. This policy supersedes and replaces the policy revised February 15, 2012.

General Considerations for Financial Assistance and Project Review.

The Agency will consider the following factors, among others, in determining whether to approve a project and financial assistance:

- (i) The extent to which a project will create or retain permanent private sector jobs, including the number of jobs, the quality of and salary for such jobs and any related benefits (healthcare and retirement, for example);
- (ii) The estimated value of any tax exemptions and abatements to be provided;
- (iii) Whether affected tax jurisdictions shall be reimbursed by the project occupant if a project does not fulfill the purposes for which the exemption and abatement were provided;
- (iv) The impact of a proposed project on existing and proposed businesses and economic development projects in the vicinity;
- (v) The amount of private sector investment generated or likely to be generated by the proposed project;
- (vi) The demonstrated public support for the proposed project;
- (vii) The likelihood of accomplishing the proposed project in a timely fashion;
- (viii) The effect of the proposed project on the environment;
- (ix) The extent to which the proposed project will require the provision of additional services, including, but not limited to additional educational, transportation, police, emergency, medical or fire services; and
- (x) The extent to which the proposed project will provide additional sources of revenue for municipalities and school districts.

Attached hereto as Schedule F is the Agency's project grading matrix that, unless otherwise determined by the Agency, will be applied against all projects in determining whether the project qualifies for financial assistance and the amount and duration of any such financial assistance.

A. Real Property Taxes.

The Agency maintains a policy for the provision of real property tax abatements for qualified projects, as allowed under General Municipal Law, Section 874 and Real Property Tax Law, Section 412-a. The abatement provided applies to value added by construction or renovation upon the existing parcel involved; and unless otherwise approved by the Agency, the abatement does not apply to land valuation. Unless otherwise approved by the Agency, the period of the exemption will not exceed the period of respective Agency financing or lease and will be, depending on the nature of the project as further set forth below, for a period of four (4), six (6), ten (10), or in certain cases fifteen (15) years, plus a construction period of up to three (3) years, unless extended for up to twenty (20) years under paragraph "E" below or other length of time determined by the Agency in its discretion depending on the project. The Agency's policy typically results in a graduated schedule of abatement applicable to County, Town, Village, and School taxes.

The ten (10) year schedule will result in increasing percentages of taxes due with a maximum initial abatement of one hundred percent (100%), and annual increases of ten percent (10%) per annum (see Schedule A). Eligible projects include, but are not limited to, industrial, manufacturing or business projects such as agriculture, media, defense, banking and financial, data-processing, medical, insurance, professional office, hospital, life and health care and, at the Agency's discretion, qualifying tourism, retail and recreational facilities.

The fifteen (15) year schedule will result in increasing percentages of tax due with a maximum initial abatement of ninety-five percent (95%) in the first year, annual increases of five percent (5%) per annum for the next nine years, and annual increases of ten percent (10%) per annum for the next five years (see Schedule B). Eligible projects include, but are not limited to, manufacturing, research and development, technology, electronics and micro-electronics, biotech, drug-related, pharmaceutical, life science, telecommunications, nanotech, computer hardware and software, internet, semiconductors, micro-chip, solar, communications, assembly, and processing. The Agency may, at its discretion, provide the above schedule to retail, distribution and other projects.

For certain other projects the Agency, may at its discretion, provide a real property tax abatement equivalent to NYS Real Property Tax Law Section 485-b (see Schedule C).

For qualifying hotel projects the duration of the real property tax abatement shall be four (4) years (See Schedule D).

For qualifying new distribution/warehouse facilities the duration of the real property tax abatement shall be six (6) years (See Schedule E).

Special district charges, special assessments, and special ad valorem levies (specifically including but not limited to fire district and library district charges), and water charges and sewer charges are to be paid in full in accordance with normal billing practices.

Any deviations from the standard policy will be made only with the specific approval of the Agency's members based on the factors described in the New York State General Municipal Law Section 874(4) (a). The Agency shall comply with all applicable law prior to any deviation.

At the discretion of the Agency, an appraisal may be required.

B. Tax Agreement.

Each project receiving a real property tax abatement will be subject to a Tax Agreement ("Tax Agreement") in a form acceptable to the Agency. A copy of the Tax Agreement together with other applicable forms will be sent to each of the affected taxing jurisdictions within fifteen (15) days of execution. Unless otherwise agreed by the Agency, with written consent from the affected taxing jurisdictions, such payments shall be allocated among the affected taxing jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each affected taxing jurisdiction had the project not been tax exempt due to the status of the Agency involved in the project.

C. Sales and Use Tax Exemptions.

- (i) Purchases of construction materials and equipment rentals and purchases of project related equipment, furnishings and services are made as agent for the Agency, and are therefore afforded full exemption from local and New York State Sales and Use Taxes until the project is completed (i.e., certificate of occupancy), or such other period of time as approved by the Agency. Operating and maintenance expenses of projects are not incurred as agent of the Agency, and no sales tax exemption is provided thereof.
- (ii) All project applicants must agree in writing to file with the New York State Department of Taxation, in form and at times required, an annual statement of the value of all sales and use taxes exemption claimed in connection with the facility in full compliance with Section 874(8) of the General Municipal Law.
- (iii) The Agency shall comply with New York State General Municipal and any other applicable law requiring recapture of sales and use tax exemptions.

D. Mortgage Recording Tax Exemptions.

- (i) The Agency's Policy is to permit mortgage recording tax exemptions on all project-related financing to the full extent permitted by New York State Law.
- (ii) The Agency may, in its sole discretion, permit mortgage recording tax exemptions on non-project related financings, (eg. second mortgages on the project to secure subordinated indebtedness of the project applicant, or re-financings of existing

mortgages.) In determining whether to permit such exemptions on non-project related financing, the Agency shall consider such factors as it deems appropriate, including but not limited to the use of the property, the degree of investment, the degree and nature of the employment and the economic condition of the areas in which the facility is located.

E. Deviations.

In addition to or in lieu of the foregoing the Agency may determine, on a case by case basis, to deviate from the guidelines described herein or provide additional benefits for a project expected to have significant impact in the locality where the project will be located, or as otherwise determined by the Agency as warranting enhanced financial assistance. Any deviations from the guidelines set forth above require the written notification by the Agency to the chief executive officer of each affected taxing jurisdictions. In determining whether to deviate from the guidelines set forth herein, the Agency may consider any or all of the factors set forth under the heading General Considerations for Financial Assistance and Project Review above, no single one of which is determinative.

F. Recapture of Benefits.

The Agency, at its sole discretion and on a case-by-case basis, may determine (but shall not be required to do so unless otherwise required by all applicable law) with respect to a particular project, that a project has failed to meet its intended goals and to require the applicant to comply with the recapture by the Agency of the value of any or all exemptions from taxation granted with respect to the project by virtue of the Agency's involvement. Events that the Agency may determine will trigger recapture may include but are not limited to:

- (i) Sale or closure of facility;
- (ii) Significant employment reduction or failure to achieve employment projections;
- (iii) Significant change in use in facility;
- (iv) Significant change in business activities or project applicant or operator;
- (v) Material non-compliance with or breach of terms of Agency transaction documents or of zoning or land use laws or regulations or federal, state or local environmental laws or regulations;
- (vi) Failure to comply with Agency and New York State reporting requirements.

If the Agency determines to provide for the recapture with respect to a particular project, the Agency also shall determine the timing and percentage of recapture.

G. Effective Date.

This Uniform Tax Exemption Policy shall be effective as of June 13, 2019 and it shall apply to all projects for which the Agency has adopted or adopts an Inducement Resolution after the effective date of this policy, and all re-financings of any project induced or closed before that date, and any project that may be re-induced by subsequent Agency resolution in order to obtain the benefits provided herein.

H. Amendments.

The Agency by resolution of its members and upon compliance with all applicable law may amend or modify the foregoing policy as it may from time to time determine.

SCHEDULE A

TEN YEAR SCHEDULE

Year of Exemption	Percentage of Tax
	Abatement
1	100
2	90
3	80
4	70
5	60
6	50
7	40
8	30
9	20
10	10

SCHEDULE B

FIFTEEN YEAR SCHEDULE

Year of Exemption	Percentage of Tax
	Abatement
1	95
2	90
3	85
4	80
5	75
6	70
7	65
8	60
9	55
10	50
11	40
12	30
13	20
14	10
15	10

SCHEDULE C

"485-B EQUIVALENT" SCHEDULE

Year of Exemption	Percentage of Tax Abatement
1	50
2	45
3	40
4	35
5	30
6	25
7	20
8	15
9	10
10	5

SCHEDULE D

FOUR (4) YEAR SCHEDULE FOR QUALIFYING HOTEL PROJECTS

Year of Exemption	Percentage of Tax
	Abatement
1	75
2	60
3	50
4	30

SCHEDULE E

SIX (6) YEAR SCHEDULE

Year of Exemption	Percentage of Tax
	Abatement
1	100
2	80
3	60
4	40
5	20
6	10

SCHEDULE F

AGENCY PROJECT GRADING MATRIX

		Score
1.	Strategic Vision (0 OR 5)*:	
	a. Does the project fit into preferred industry categories	
	(manufacturing, industrial, medical, office, tourism)?	
	b. Capitalizes upon un-or-under-employed, available talent	
2.	Ratable Value (Capital Expenditure) (0 – 5):	
	a. Investment in property resulting in increased ratables in	
	municipality.	
	b. Utilizes brownfield or otherwise "undesirable" parcel	
	c. Return non-taxable property tax rolls	
	d. "Brownfield remediation" would receive a 5	
3.	Number of Jobs (1 – 5):	
	a. NOT sliding scale; relative to industry	
4.	Quality of Jobs (0 – 5):	
	a. Defined as	
	0 = ANY jobs at minimum wage	
	1 = ALL jobs over \$15/hour	
	2 = 25% over \$25/hr plus benefits	
	3 = 50% over \$25/hr plus benefits	
	4 = 75% over \$25/hr plus benefits	
	5 = ALL jobs over \$25/hr plus benefits	
5.	Location (1 <u>OR</u> 5):	
	a. 1 = In Orange County	
	b. 5 = Designated growth zone, as identified by IDA (ex. Port Jervis, Highland Falls)	
6.	Desirability (0 – 5)*:	
	a. Does the project have local political support?	
	i. Support letter from Supervisor/Mayor	
	b. Is there favor, locally, for the project?	
	c. Is the project remediating a brownfield or repurposing a zombie property?	
	d. Is the parcel located in federally distressed area?	
	TOTAL	
•	e Buildings - identified as a project built with no end-user result in an automoatic 0 in these categories	
-10 - Low/N 1-20 - Mad	No PILOT ium/Sector-based PILOT	
	/Qualifies for "Goliath" PILOT	

LABOR POLICY ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY Adopted 01-18-23

The Orange County Industrial Development Agency (IDA) was established 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 and economic growth 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 from Orange County and the "local labor" market during all project phases, including the construction phase.

For the purpose of this policy, the "local labor" market for construction workers shall be defined as those individuals living in Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland, Westchester, and Delaware Counties. Applicants receiving IDA benefits shall ensure the contractor/developer hire at least 85% from the "local labor" market for their approved projects. The 85% shall be by contractor and in total at the time of completion of the project. The contractor/developer is mandated to keep daily log sheets of all field workers, commencing on the date of application. Any work performed after application shall be included in the determination of overall compliance with the 85% hiring requirements of this policy. A third-party auditing firm will be engaged to monitor construction work commencing on the date benefits are granted by resolution of the IDA Board.

However, the IDA recognizes that the use of local labor may not be possible for the following reasons and the applicant may request an exemption on a particular contract or trade scope 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;

Cost Differentials:

- a. For projects whose project cost exceeds \$15M, significant cost differentials in bid prices whereby the use of local labor and materials significantly increases the sub contract or contract of a particular trade or work scope by at least 20%. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 20% cost differential including, but not limited to, communicating and meeting with local construction trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;
- b. For projects whose project cost is less than \$15M, significant cost differentials in bid prices whereby the use of local labor and materials significantly increases the sub contract or contract of a particular trade or work scope by 10% or more. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 10% cost differential including, but not limited to, communicating and meeting with local construction trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;
- 4. No labor is available for the project; and
- 5. The contractor requires key or core persons such as supervisors, foreman or "construction workers" having special skills that are not available in the "local labor" market.

The request to secure an exemption for the use of non-local labor must be received from the applicant on the exemption form provided by the IDA or the 3rd party monitor and received in advance of work commencing. The request will be reviewed by the 3rd party monitor and forwarded to the IDA, at which time the IDA's Audit Committee shall have the authority to approve or disapprove the exemption. The 3rd party monitor 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 reasonable 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 whom they have solicited and with whom they have contracted with or awarded. This shall be stored in a binder on site and shall be easily available for review by an authorized representative of the IDA, such as the IDA's 3rd party monitor. It shall include any documents for solicitation and contracts. 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 are opportunities 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 IDA staff the following information:

- 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 applicant's 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 from all contractors' 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 and any 3rd party monitor. The applicant and/or the Construction Manager or General Contractor acting as agent for the applicant on the project, shall keep a log book on site detailing the number of workers, hours worked and counties and states in which they reside. Proof of residency or copy of drivers' license shall be included in the log book, along with evidence of necessary OSHA certifications. Reports will be on forms provided by the IDA or weekly payroll reports which contain the same information as required on the IDA issued form. The applicant and contractors are subject to periodic inspection or monitoring by the IDA or 3rd party monitor.

The 3rd party monitor shall issue a report to the IDA staff immediately when an applicant or applicant's contractor is not in compliance with this labor policy. IDA staff shall advise the Audit Committee and/or IDA Board of non-compliance by email or at the next scheduled meeting. If a violation of policy has occurred, IDA staff shall notify the applicant and contractor in writing of non-compliance and give applicant a warning of violation and 72 hours in which to correct such violation. Upon evidence of continued non-compliance or additional violations, the IDA and/or its 3rd party monitor shall notify the applicant that the project is in violation of the Orange County IDA Labor Policy and is subject to IDA Board action which may result in the revocation, termination and/or recapture of any or all benefits conferred by the IDA.

The IDA will use a third party firm or firms to monitor and audit compliance with this local labor policy, the cost of which shall be paid for by the Company in advance of the audits and held in a non-interest bearing escrow account until audits are complete.

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:

Labor Policy As Adopted 01-18-23

- 1. Contact information of the applicant;
- 2. Summary of the IDA benefits received;
- 3. Contractors names and contact information on IDA provided form;
- 4. Copies of proof of exemption from labor policy;
- 5. Copies of any warnings or violations of policy;
- 6. Copy of the Executed Labor Policy.

The bulletin board shall be located in an area that is accessible to onsite workers and visitors, which should be clear and legible at least 10 feet from said board.

The applicant has read the OCIDA Labor Policy and agrees to adhere to it without changes and shall require its construction manager, general contractor and sub-contractors who are not exempt to acknowledge the same. The Applicant understands and agrees that it is responsible for all third-party auditing and monitoring costs.

Applicant Signature	Signature of CM, GC or SC
Company Name	Company Name
Print Name of above signer	Print Name of above signer
Email/phone of Applicant	Email/phone of CM/GC/SC
Date	 Date