

**ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

**Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553
Phone: 845-234-4192 Fax: 845-220-2228**

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
Joel Kleiman, Chief Financial Officer
Kevin Dowd, Attorney

Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on February 27, 2014 at 2:00 p.m. in the Orange County Executive's Office, 40 Matthews St, Suite 104, Goshen, New York, to consider and/or act upon the following:

Order of Business

- **Roll Call**
- **Approval of the minutes from January 15, 2014 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - Chairman's Report
 - Executive Director's Report
 - OCBA Report
 - OCP Report
 - Discussions
 - HVADC
 - AJ Ross
 - OCBA Lease
 - Labor Policy
- **Resolutions**
 - CRH Realty VIII – Final Resolution
 - Pratt & Whitney – Final Resolution
- **Such other and further business as may be presented**
- **Public Comments**
- **Adjournment**

Dated: February 20, 2014

Stephen Brescia, Secretary

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

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

January 15, 2014

A regular meeting of the Orange County Industrial Development Agency was convened in public session on January 15, 2014 at 3:18 P.M. at the Orange County Business Accelerator in New Windsor, 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, John Steinberg, Stephen Brescia, Robert Schreibeis

ABSENT: Henry VanLeeuwen, Russell Vernon

ALSO PRESENT: James Petro – Executive Director
Kevin Dowd – Attorney
Joel Kleiman – CFO
Laurie Villasuso – Associate Executive Director
Russell Gaenzle – Harris Beach
Steven Neuhaus – Orange County Executive
Wayne Booth – Deputy County Executive
Brian Gates – HVEDC
Peter Malone – OCBA
Maureen Halahan – Orange County Partnership
Marge LaPere – Orange County Partnership
Larry Gottlieb – HVEDC
Craig Marti – Barton & Loguidice, DPC
Douglas Bloomfield – Town of Goshen
Mike Mullis – JM Mullis, Inc.
Mark Rudolph – Amy's Kitchen
RJ Smith – RJ Smith Realty
Liana Hoodes – National Organic Coalition
Todd Erling – HVADC
Amy Berliner – Amy's Kitchen
Sara Drees – Amy's Kitchen
Tom Richman – Amy's Kitchen
Phil Dropkin – Goshen Economic Development
Bob Radcliffe – Pratt & Whitney Advanced Coating Technologies
Dr. John Yelle - Pratt & Whitney Advanced Coating Technologies
Cliff Hammond - Pratt & Whitney Advanced Coating Technologies
Anthony Ceretti – KPMG
L. Todd Diorio – Hudson Valley Bulding & Construction Trades Council
James Smith – Advance Testing
Dominic Cordisco – Drake, Loeb
Allan Ross – AJ Ross Creative Media
Carlos Vega – AJ Ross Creative Media
James Walsh – Times Herald Record

Chairman Armistead calls the meeting for the Orange County IDA, November 20, 2013 (Pledge of Allegiance is recited). Board consists of four members. There is a quorum.

Reorganization Meeting

Chairman Armistead advises that this is an "organizational meeting" and at this time, there must be an election of a chairman. He notes that, in discussions with the Board, it appears that the Members would like the Chairman and Officers to stay the same.

Mr. Brescia moves that Chairman Armistead is reelected as chairman. Motion seconded by Schreibeis. Motion carries with all in favor.

The officers of the Board are as follows:

Vice Chairman: Ms. Rogulski

Second Vice Chairman: Vernon

Secretary: Brescia

Assistant Secretary: Steinberg

Motion to elect officers as noted is made by Rogulski, seconded by Schreibeis. Motion carries with all in favor.

The Chairman appointments for Committees are as follows:

Audit Committee: Rogulski (Chairman); VanLeeuwen; Steinberg
Alternate: Schreibeis

Governance Committee: Brescia (Chairman); Schreibeis; Vernon
Alternate: Rogulski

Review of the prior November 20, 2013 meeting minutes. Motion made by Rogulski, seconded by Brescia, to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

Amy's Kitchen – Initial Resolution

Chairman Armistead notes that one applicant has a scheduling issue and needs to present at this time. He calls for a representative of the Amy's Kitchen project to address the Board. Amy Berliner, of Amy's Kitchen, begins by introducing herself and advises that she'd like to give the Board a sense of her family's business, and how it appears to be a great fit for the area. She then plays a video that describes the origin of Amy's Kitchen, which was founded and still owned by Ms. Berliner's parents – Rachel and Andy Berliner. The video then goes on to highlight the organic practices of the Amy's Kitchen, as well as their investment in local farms and communities.

At the video's conclusion, Ms. Berliner goes on to reiterate that theirs is a family-owned business and completely privately owned. A mission-driven company, they care deeply about the quality of their food and their employees. They consider their employees to be a part of their family, and have various tuition assistance and scholarship programs for employees and their children. Their newest program is an on-site comprehensive health center for employees and their families, at their Oregon and California manufacturing facilities. A full time doctor and nurse staff the centers, providing healthcare to employees and their families for a \$5 copay. She notes that, for some of their employees, this is the first time they've seen a doctor in twenty years. In addition to taking care of their employees, they strive to assist the local communities by stocking food banks locally, and nationally cases of natural disaster.

With regard to the facilities, Ms. Berliner shows a slide demonstrating that, currently, 67% of their ingredients come from California and Oregon, where their 2 manufacturing plants are located. The point, she notes, is that where possible, they source locally. And if there were a manufacturing site here, they would work to source locally, and invest in local agriculture. She adds that Amy's Kitchen works with local farmers and gives them expertise and backing to help the farmers grow, expand and provide the local ingredients the facility needs. She adds that Amy's Kitchen is interested in helping develop the local agriculture; even if the farmers are conventional and small, Amy's wants to work with them from the ground up and build long-lasting relationships.

Though Amy's started as a small company, they are now the 6th frozen single serve entrée company in the US. And, further, their numbers continue to grow while other companies' numbers decline, which demonstrates that the future of this industry is organic, and healthy, food.

Ms. Berliner then demonstrates that currently 60% of the food produced in California and Oregon is shipped to the East coast of the US. Their two manufacturing facilities are currently at capacity, so they are looking to grow, and it only makes sense to build in this portion of the country.

She explains that there would be a \$100M investment in the facility alone, which would bring construction jobs. After that, 600-700 stable manufacturing jobs that would provide the same financial stability, benefits, care and programs currently offered to employees on the West Coast. And, finally, Amy's offers the area their commitment to developing

local and regional agriculture from the ground up. Wrapping up her presentation, Ms. Berliner notes that Amy's believes that this project would be an excellent fit for the area, and the project.

Chairman Armistead asks the Board if they have any questions for Ms. Berliner or the Amy's team. With no questions, the Board moves on to the resolution.

Mr. Dowd reads aloud the Amy's Kitchen, Inc. initial resolution. Motion made by Brescia, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Brescia adds that, as the Goshen Supervisor is in attendance, Goshen must be in support of the project. Mr. Bloomfield advises that, yes, the Town of Goshen Land Use Board is 100% behind the project. Chairman Armistead also notes that Orange County Department of Planning also issued a letter of support.

Financial Reports and/or Requests for Payment

Mr. Kleiman asks the members to refer to the income and expense summary as of December 31, 2013. Revenues come to just \$1.6M for the year, and expenses total just over \$876K, with revenues exceeding expenses by \$683K. He notes that these numbers are provided before any year end entries or adjustments; some expenses being approved today are for year 2013, and will adjust the year end totals. Moving on to address the schedule of bank accounts, he advises that a CD matured in the month of December and bids were solicited from 11 banks in the county. Orange County Trust provided the highest bid, at 0.45%. The CD was purchased on Dec 18, and will mature in one year. He advises that the IDA has approximately \$8.4M in deposits, while the OCFC has just over \$750K in deposits. Turning his attention to the vouchers and payments, he advises that the IDA received \$93,008.23 over the last three months, with payments totaling \$278,065.26.

Motion made by Schreibeis, seconded by Rogulski, that the Board accepts the financial report and authorization of IDA payments and vouchers for January 2014. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead begins by welcoming County Executive Steven Neuhaus to the meeting. He advises that the IDA Board and the new administration are working very closely together, and are all interested in economic development. He adds that the transition has been seamless, and that the County Executive has been very supportive of the IDA Board. He also notes that, going forward, the IDA meetings will alternate between the County Executive's office and the Business Accelerator.

Having just ended a very busy 2013, Chairman Armistead looks forward to a busy 2014.

He also advises the Board that Ms. Villasuso reached out to the ABO and determined that a costly, glossy annual report is not necessary. The PARIS report, filed with the state, is sufficient for compliance.

Chairman Armistead goes on to advise that the committees for Local Labor Policy and Shovel Ready Program have been meeting and making progress in the recent months.

OCBA Report

Mr. Gates begins by advising that the Business Accelerator was the winner of the \$125K CFA Incubator Grant. In addition to the funds, the Orange County Business Accelerator is now a certified NYS Incubator, which allows the Accelerator to become a part of StartUpNY. Approval is required from SUNY and the state, but there is a plan in motion to receive that approval. He then offers a list of suggested uses for the grant, including a summer sandbox program, education in business training, and outreach to increase public awareness of OCBA.

Mr. Malone takes over and advises that the Facebook ad is going well, and received over 200 likes last month. The marketing campaign is beginning to focus more on social media in the year 2014, rather than focusing on paper.

Mr. Steinberg asks Mr. Gates tell him where he could find the criteria for a tax-free start up. Mr. Gates directs him to the StartUpNY webpage. He also advises that HVEDC has started their own webpage – startupnyhudsonvalley.com – to explain the initiative.

OCP Report

Ms. Halahan begins by thanking the IDA for their support of Amy's Kitchen, and then presents a power point. Her presentation starts with 2013's attraction totals and moves on to discuss the closed attractions for 2014. The first she mentions is Pratt & Whitney, which will present to the Board later in the meeting. The manufacturing project will bring 100 jobs over the next five years, and promises a \$140M investment. She goes on to discuss Touro College, and explains that this year, the City of Middletown project will be officially announced. Project Vet, a clinic to treat veterans with PTSD, is part of the Horton Hospital repurposing. Ms. Halahan then goes on to detail the five new Attraction leads for 2014, including a tourism project, a food packaging project, a start-up company, and a micro-brewery. Moving on to address expansions, Ms. Halahan describes Crystal Run's plans for a new office in Newburgh, which promises to create over 200 jobs. In addition, she describes a planned expansion at President Container, as well as the recent hire of 16 drivers for UNFI. She asks Ms. LaPerle to explain the Workforce Initiative in the Middletown School District. They will apply for roughly \$6M through a Federal Grant Program for a work-readiness program in the school.

Ms. Halahan details the winners of the CFAs for 2013, and goes over some of the OCP marketing initiatives for 2014. Lastly, the ABG's first Quarterly meeting will be held of February 6th.

AJ Ross

Mr. Ross begins by explaining that today he and Mr. Vega will present the new IDA business card, stationery and brochure, along with the new LinkedIn, Facebook and IDA website pages. Mr. Vega first passes around the brochure, which features the new IDA logo. He explains that the content within the brochure – statistics about the County and Demographics – has proven to be the most important through their research. The same branding in the brochure will be tied into the social media pages. He goes on to explain and demonstrate the features in the website. Mr. Brescia suggests the addition of a message from the County Executive, and questions the inclusion of some demographics. Mr. Vega notes that demographics are the second largest search item on the Partnership website.

HVEDC

Mr. Gottlieb begins by thanking Mr. Gates and Mr. Malone for their hard work in applying for the Incubator Grant.

Moving on, he notes that HVEDC noticed some time ago that they were having difficulty getting grants, due to their official IRS designation as 501C6. The suggestion was made to form a separate 501C3, which would allow them to apply for grants, which help support HVEDC's programs. At the end of 2013, they were approved for their 501C3 which is called HVEDN. Because HVEDC supports HVEDN, they apportion a certain amount of their dollars received to fund HVEDN. The IDA will not be giving any additional dollars, just adjusting their annual contribution to be split between the two entities.

Shamrock Creek, LLC

Mr. Dowd advises the Board that there has been an issue with Shamrock Creek making their PILOT payments in a timely fashion. The company has made their payments to the Town and the County, but only after repeated requests. He has been in letter communication with the principals of the company, to insist on the payment of the school district portion of their PILOT. The school district has asked the IDA to get involved to help collect the payment, possibly by taking action against Shamrock Creek. At this time, Mr. Dowd is asking the Board to authorize counsel to take whatever action necessary to collect payment, or to cancel the PILOT and lease/leaseback agreement.

Motion made by Brescia, seconded by Schreibeis, to authorize counsel to the IDA to take all necessary legal actions with regard to the Shamrock Creek LLC (AKA Centerline Studios) PILOT agreement, Lease and Leaseback Agreements. Motion carries with all in favor.

Mr. Dowd advises that he will issue a letter explaining what action will be taken if payment is not received by a specific date. Mr. Steinberg asks if anyone has reached out via the telephone, and is advised that Ms. Villasuso has.

Pratt & Whitney – Initial Resolution

Mr. Hammond introduces himself, as well as his colleagues Mr. Radcliffe and Dr. Yelle, of Pratt & Whitney ACT. He explains that, due to two programs, Pratt & Whitney is undergoing significant growth in the aircraft engine industry. The five year forecast for Pratt is unprecedented, he says. It appears that Pratt & Whitney's production will be five times their current production of complete motors in both the commercial and military fields. This expansion is ACT's 3rd

expansion, and promises to invest approximately \$140M of equipment. With unprecedented technology, the site promises to employ 100 employees, with average wages exceeding \$23/hr. When asked about the created construction jobs, Chairman Armistead is advised that, on past expansions, roughly 10-30 contractors were on site. Chairman Armistead reminds Mr. Hammond that the IDA urges the use of local labor. The Pratt & Whitney team advise that it is their goal, as it has been in the past, to use local labor. It is noted that a letter from Supervisor Depew is included in the packet, showing his support of the project.

Mr. Dowd reads aloud the Pratt & Whitney initial resolution. Motion made by Steinberg, seconded by Schreiber. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Stewart FBI, LLC – Final Resolution

Mr. Gaenzle reminds the room that the Board adopted a final resolution for Stewart FBI, LLC, but SEQRA had not been completed at that time. Now that SEQRA has been completed, the Board will ratify and readopt the resolution.

Mr. Dowd reads aloud the Stewart FBI, LLC final resolution. Motion made by Brescia, seconded by Rogulski. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Motion made by Brescia to enter executive session issue relating to the employment history of a particular person, and the hiring of IDA personnel. Motion seconded by Schreiber. All in favor.

Executive Session

The members discussed IDA personnel.

End of Executive Session

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

Executive Director resolution, appointing Mr. James R. Petro, Jr., is read aloud. Motion made by Brescia, seconded by Schreiber. Affirmative votes of all members present resulted in motion carried.

Chief Financial Officer resolution, appointing Mr. Kleiman, is read aloud. Motion made by Schreiber, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

IDA Attorney resolution, appointing Mr. Dowd, is read aloud. Motion made by Steinberg, seconded by Schreiber. Affirmative votes of all members present resulted in motion carried.

IDA Contract Officer resolution, appointing Mr. Dowd, is read aloud. Motion made by Schreiber, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

IDA Freedom of Information Law Officials, appointing Ms. Villasuso as FOIL Officer and Mr. Dowd as FOIL Appeals Officer, is read aloud. Motion made by Schreiber, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

Resolution to report IDA-Owned Properties as of 12/31/13, reporting that the IDA owns NO real property as of 12/31/13, is read aloud. Motion made by Schreiber, seconded by Rogulski. Affirmative votes of all members present resulted in motion carried.

Resolution to approve IDA Depositories for 2014 is read aloud. Motion made by Schreiber, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

Resolution for Annual Review of IDA Procurement Policies & Practices in 2014 is read aloud. Motion made by Schreiber, seconded by Rogulski. Affirmative votes of all members present resulted in motion carried.

Resolution approving the Contract for Orange County Business Accelerator Managing Director, and appointing HVEDC as Managing Director, is read aloud. Motion made by Brescia, seconded by Schreiber. Affirmative votes of all members present resulted in motion carried.

Resolution approving IDA Agreement with Orange County for Support Services for 2014, in the amount of \$5,000, is read aloud. Motion made by Schreibeis, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

Resolution approving \$25,000 Annual Contract with Orange County Foreign Trade Zone, is read aloud. Motion made by Schreibeis, seconded by Brescia. Affirmative votes of all members present resulted in motion carried.

Resolution to authorize "Agent Status" for Orange County Partnership, Hudson Valley Economic Development Corporation, Hudson Valley Economic Development Network, Pattern for Progress, Hudson Valley Agri-Business Development Corporation, Hudson Valley Film Commission, Orange County NY Arts Council, Inc., Hudson Valley Food & Beverage Alliance and Rockland Economic Development Corporation (PTAC), and allowing the Executive Director and/or Chairman to sign Agency Agreements, is read aloud. Motion made by Rogulski, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Resolution authorizing the establishment of the position of Associate Executive Director of the IDA, setting the salary therefore and appointing Laurie Villasuso to said position is read aloud. Motion made by Brescia, seconded by Schreibeis. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

Mr. Dowd notes that the IDA needs to think about what their goals and mission for 2014 will be. Included in the packet was a prior year's report for the Board's review, and plans are made to discuss the 2014 review at February's meeting.

County Executive Neuhaus then distributes a memo regarding suggested economic development priorities. He explains that he appreciates the open dialogue between the County Executive office, the Orange County Partnership and the IDA. He goes on to detail that he would like the team to focus on spending money only on proven ways of growing the economy, and offering capital improvements to companies committing to Orange County. He reiterates the importance of the Shovel Ready site program, and suggests looking into the Orange County Business Development Corporation. He stresses the importance of hiring local and creating a local labor policy. He reiterates Chairman Armistead's comment that the IDA will hold some of its meetings at the County Executive office. Lastly, he suggests leveraging the partnerships created here to access new tax breaks.

Mr. Brescia reminds the County Executive that he, Chairman Armistead, Mr. Vernon and Mr. Dowd have been working with the local trades on the labor policy, and hope to have a new labor policy in the coming months.

Mr. Petro mentions that the IDA and County Executive Neuhaus should work together to recapture \$255K from the Port Authority, which has been an ongoing issue for a number of years.

Chairman Armistead advises the room that the meeting dates have changed from the third Wednesday of every month, and will now be held on the 4th Thursday of every month, and will start at 2:00. The Board agrees with the change, and it is noted that February's meeting will be held at the County Executive conference room, March's meeting will be held at the Newburgh Armory, and after that will alternate between the Business Accelerator and the County Executive office.

Chairman Armistead also advises that the NYSEDC is having a conference next week, and would like Mr. Dowd, Mr. Petro and Ms. Villasuso to attend. Motion to approve the trip made by Brescia, seconded by Schreibeis. All in favor.

Chairman Armistead then mentions that the OCBA lease will expire in October. Mr. Petro advises that the rent for the space is very reasonable, especially if the Town of New Windsor will extend the tax abatement. Mr. Petro will reach out to the Town and to First Columbia. Mr. Steinberg suggests revisiting the purchase of the Accelerator building.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Steinberg, seconded by Schreibeis, the time being 6:02 p.m.

Orange County Industrial Development Agency
Income and Expense Summary
January 2014

	Jan 14	Modified Budget	\$ Over Budget
Income			
Closing Fees	\$ -	\$ 983,333	\$ (983,333)
Fees	\$ -	\$ 655,000	\$ (655,000)
IDA Administrative Fees	\$ 5,000.00	\$ 10,000	\$ (5,000)
Interest Earnings	\$ 661.65	\$ 22,000	\$ (21,338)
Pass Thru Legal Fees	\$ 5,000.00	\$ 10,000	\$ (5,000)
Recovered Funds	\$ -	\$ 255,000	\$ (255,000)
Total Income	\$ 10,661.65	\$ 1,935,333	\$ (1,924,671)
Expense			
Administrative Costs			
Advertising	\$ -	\$ 1,500	\$ (1,500)
Auditors	\$ -	\$ 13,000	\$ (13,000)
Insurance	\$ -	\$ 7,000	\$ (7,000)
Mileage	\$ -	\$ 500	\$ (500)
OCIDA Admin. Support	\$ -	\$ 5,000	\$ (5,000)
Office Supplies & Expenses	\$ 522.64	\$ 5,000	\$ (4,477)
Secretary/Bookkeeper/Accountant	\$ -	\$ 2,000	\$ (2,000)
Website and Technical Support	\$ -	\$ 5,000	\$ (5,000)
Total Administrative Costs	\$ 522.64	\$ 39,000	\$ (38,477)
Agency Contribution Costs			
Hudson Valley Agribusiness Dvl.	\$ -	\$ 25,000	\$ (25,000)
Hudson Valley Eco. Dev. Corp.	\$ -	\$ 15,500	\$ (15,500)
Hudson Valley Eco. Dev. Network	\$ -	\$ 4,500	\$ (4,500)
Hudson Valley Film Commission	\$ 5,000.00	\$ 10,000	\$ (5,000)
Hudson Valley Food & Beverage	\$ -	\$ 20,000	\$ (20,000)
O.C. Foreign Trade Zone	\$ -	\$ 25,000	\$ (25,000)
O.C. Partnership	\$ 50,000.00	\$ 230,000	\$ (180,000)
Orange County NY Arts Council	\$ 12,953.37	\$ 45,000	\$ (32,047)
Patterns for Progress	\$ -	\$ 17,000	\$ (17,000)
PTAC	\$ 7,000.00	\$ 28,000	\$ (21,000)
Total Agency Contribution Costs	\$ 74,953.37	\$ 420,000	\$ (345,047)
Legal			
Legal, Pass Thru	\$ 5,000.00	\$ 10,000	\$ (5,000)
Legal - Other	\$ 7,760.75	\$ 75,000	\$ (67,239)
Total Legal	\$ 12,760.75	\$ 85,000	\$ (72,239)
Other Expenses			
Conferences, Seminars & Events	\$ -	\$ 5,000	\$ (5,000)
Promotional Expenses	\$ 2,250.00	\$ 30,000	\$ (27,750)
Other Expenses - Other	\$ 1,500.00		
Total Other Expenses	\$ 3,750.00	\$ 35,000	\$ (31,250)
Projects			
Projects	\$ 4,672.00	\$ 450,000	\$ (445,328)
Total Projects	\$ 4,672.00	\$ 450,000	\$ (445,328)
Total Expense	\$ 96,658.76	\$ 1,029,000	\$ (932,341)
Income Over/(Under) Expense	\$ (85,997.11)	\$ 906,333	\$ (992,330)

Orange County Industrial Development Agency
Banks Accounts/Certificates of Deposit/Money Markets Accounts
As of January 31, 2014

Listed in order of maturity date.

#	Purchase Date	Maturity Date	# of Days	Bank	Principal	Interest Rate	Interest Amount	Status
1	10/5/07	1/4/08	91	Catskill Hudson Bank	\$ 2,820,045	5.03%	\$ 37,931.64	closed
2	12/10/07	1/15/08	36	Catskill Hudson Bank	\$ 1,000,000	4.82%	\$ 4,820.00	closed
3	12/10/07	2/19/08	71	Catskill Hudson Bank	\$ 1,000,000	4.79%	\$ 9,446.94	closed
4	1/4/08	3/18/08	74	Orange County Trust	\$ 1,000,000	4.52%	\$ 9,291.11	closed
5	1/4/08	4/15/08	102	Catskill Hudson Bank	\$ 1,000,000	4.75%	\$ 13,458.33	closed
6	1/4/08	5/20/08	137	Catskill Hudson Bank	\$ 1,000,000	4.75%	\$ 18,076.39	closed
7	1/15/08	6/17/08	154	Catskill Hudson Bank	\$ 1,000,000	4.45%	\$ 19,036.11	closed
8	2/19/08	7/15/08	147	Catskill Hudson Bank	\$ 1,000,000	3.13%	\$ 12,780.83	closed
9	7/15/08	9/17/08	63	Catskill Hudson Bank	\$ 1,000,000	3.13%	\$ 5,477.50	closed
10	8/19/08	10/15/08	55	Catskill Hudson Bank	\$ 1,000,000	3.06%	\$ 4,675.00	closed
11	9/17/08	12/17/08	91	Catskill Hudson Bank	\$ 4,800,000	3.18%	\$ 38,584.00	closed
12	10/15/08	4/15/09	182	HSBC	\$ 1,004,690	3.70%	\$ 18,793.00	closed
13	12/17/08	6/17/09	182	Orange County Trust	\$ 5,342,486	3.12%	\$ 83,114.44	closed
14	4/15/09	10/21/09	189	Orange County Trust	\$ 1,023,484	1.40%	\$ 7,419.55	closed
15	6/17/09	12/16/09	182	Orange County Trust	\$ 5,425,922	2.10%	\$ 56,816.10	closed
16	10/21/09	1/20/10	91	Catskill Hudson Bank	\$ 530,917	1.02%	\$ 1,368.88	closed
17	12/16/09	3/17/10	91	Orange County Trust	\$ 2,800,000	0.85%	\$ 5,934.00	closed
18	12/16/09	6/16/10	182	Orange County Trust	\$ 2,682,739	1.32%	\$ 17,657.56	closed
19	1/20/10	9/15/10	238	Orange County Trust	\$ 532,285	0.80%	\$ 2,776.63	closed
20	3/17/10	9/15/10	182	Catskill Hudson Bank	\$ 1,400,000	0.65%	\$ 4,600.56	closed
21	12/29/09	12/15/10	351	Orange County Trust	\$ 750,000	1.05%	\$ 7,572.95	closed
22	3/17/10	3/16/11	364	Catskill Hudson Bank	\$ 1,405,934	0.70%	\$ 9,950.89	closed
21	6/16/10	6/15/11	364	Orange County Trust	\$ 2,300,396	0.75%	\$ 17,205.70	closed
22	6/15/11	12/21/11	189	Orange County Trust	\$ 2,317,650	0.45%	\$ 5,400.44	closed
23	12/21/11	12/19/12	364	Orange County Trust	\$ 2,323,051	0.50%	\$ 11,583.43	closed
24	8/16/12	8/16/13	365	Orange County Trust	\$ 1,400,000	0.50%	\$ 6,992.82	closed
25	12/19/12	12/18/13	364	Orange County Trust	\$ 2,334,634	0.35%	\$ 8,148.10	closed
26	8/29/13	8/29/14	365	Provident Bank	\$ 1,500,000	0.51%	\$ 7,756.25	open
27	12/18/13	12/17/14	364	Orange County Trust	\$ 2,342,782	0.45%	\$ 10,513.64	open

	Bank Account	Amount	% of total	rate
	Chase - checking	\$ 231,345	3%	bank account 0.10%
	Certificates of Deposit	OC Trust/Provident	\$ 3,842,782	47% CD
	Money Market	Provident Bank	\$ 1,911,227	24% MM 0.51%
	Money Market	Provident Bank	\$ 2,142,868	26% MM 0.35%
		total	\$ 8,128,221	100%

Orange County Funding Corporation
As of January 31, 2014

	Amount	% of total	rate
Chase - checking	\$ 153,264	20%	bank account 0.10%
Orange County Trust	\$ 601,466	80%	MM 0.30%
total	\$ 754,730	100%	

Orange County IDA

Received for February 2014

Orange County Business Accelerator - 4th Q Reimbursement	28,948.86
Total	28,948.86

Vouchers & Payments February 2014

Rosemarie Rogowski-Saindon (4th Q 2013 Accounting)	500.00
Duffy's Pavement Markings, Inc. ***CGAM***	598.00
Hudson Valley Economic Development Network (2014 Payment)	4,500.00
Hudson Valley Economic Development Corporation (2014 Payment)	15,500.00
Rider, Weiner & Frankel, PC (audit response letter)	422.50
AJ Ross (IDA Brochure Copywriting & Editing)	350.00
AJ Ross (Print Business Cards)	406.32
AJ Ross (Business Card and Stationery Design)	350.00
Harris Beach, PLLC (Amy's Kitchen, Inc.)	2,500.00
Harris Beach, PLLC (Pratt & Whitney)	2,500.00
Charles B. Merrill Office Products (IDA Office Supplies)	168.13
Orange County NY Arts Council (4th Q 2013 contribution)	8,992.04
Hudson Valley Agribusiness Development Corp (4th Q 2013 Cont)	4,262.50
Kevin T. Dowd, Esq. (Legal 01-6-14 through 02-18-14)	9,897.50
Total	50,946.99

**Orange County Business Accelerator
Profit & Loss YTD Comparison
January 2014**

	<u>Jan 14</u>	<u>Jan 14</u>	<u>Budget</u>	
Ordinary Income/Expense				8%
Income				
IDA Deposit	174,356.50	174,356.50		
Rent-Clients	4,564.72	4,564.72	100,000.00	
Rent-HVEDC	3,145.98	3,145.98	38,400.00	
Rent Sponsors	833.34	833.34		
Seminar/Sponsor			2,000.00	
Utility Reimbursement	512.91	512.91	4,000.00	
Total Income	<u>183,413.45</u>	<u>183,413.45</u>	<u>144,400.00</u>	
Expense				
Admin. Fees	14,210.50	14,210.50	120,456.00	12%
Automobile Expense	69.91	69.91	10,000.00	1%
Benefits				
403B	356.97	356.97		
MVP	1,224.04	1,224.04		
NYSDBL	16.56	16.56		
Total Benefits	<u>1,597.57</u>	<u>1,597.57</u>	<u>21,000.00</u>	8%
Building Insurance			5,000.00	0%
Building Rent	14,647.50	14,647.50	175,770.00	8%
Building Utilities	2,746.00	2,746.00	20,000.00	14%
Business Accelerator Management	6,000.00	6,000.00	72,000.00	8%
Contingency			5,000.00	0%
Common Area Maintenance	4,104.76	4,104.76	44,400.00	9%
Dues and Subscriptions	749.89	749.89	3,500.00	21%
Info Technology	559.46	559.46	30,000.00	2%
Marketing/PR & Web	14,711.76	14,711.76	150,000.00	10%
Office Cleaning	250.00	250.00	3,000.00	8%
Office Supplies & Postage	234.55	234.55	9,000.00	3%
Payroll Taxes & Fees				
FICA / Med	206.07	206.07		2%
FICA / SS	881.04	881.04		
FUTA	209.45	209.45		
Staff-Line Fee	248.69	248.69		
SUTA	213.18	213.18		
Workers Comp	106.57	106.57		
Total Payroll Taxes & Fees	<u>1,865.00</u>	<u>1,865.00</u>	<u>12,000.00</u>	16%
Professional Fees	525.00	525.00	6,300.00	8%
Travel, Lodging, Meals	157.00	157.00	10,000.00	
Total Expense	<u>62,428.90</u>	<u>62,428.90</u>	<u>697,426.00</u>	
Net Ordinary Income	<u>120,984.55</u>	<u>120,984.55</u>		
Other Income/Expense				
Other Income				
Interest Income	7.39	7.39		
Total Other Income	<u>7.39</u>	<u>7.39</u>		
Net Other Income	<u>7.39</u>	<u>7.39</u>		
Net Income	<u><u>120,991.94</u></u>	<u><u>120,991.94</u></u>		

2 ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
3 STATE OF NEW YORK

-----x

4 In The Matter of

5 RE: CRH REALTY VIII, LLC

-----x

6 January 14, 2014
7 10:05 a.m.
8 Newburgh Town Hall
9 1496 Route 300
10 Newburgh, New York

10

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14 B E F O R E: ROBERT ARMISTEAD, CHAIRMAN
15 ORANGE COUNTY IDA

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

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

3

LAW OFFICE OF KEVIN T. DOWD
4 Attorney for IDA
46 Daisy Lane
5 Montgomery, New York 12549

6

7 DRAKE, LOEB, HELLER, KENNEDY, GOGERTY, GABA & RODD, PLLC
Attorneys for CRH Realty VIII, LLC
8 555 Hudson Valley Avenue
Suite 100
9 New Windsor, New York 12553
BY: DOMINIC CORDISCO, ESQ.

10

11 ALSO PRESENT: COLUMBIA DEVELOPMENT COMPANIES
302 Washington Avenue Ext.
12 Albany, New York 12203
BY: RICHARD A. ROSEN, VICE PRESIDENT

13

14 Laurie Villasuso
Administrative Assistant
15 Orange County IDA

16

17

18

19 Frances Roth, RPR
Court Reporter

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1 CRH REALTY VIII, LLC

2 MR. ARMISTEAD: Let's start off with the
3 Pledge of Allegiance.

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

5 MR. ARMISTEAD: Morning everyone, I'm Bob
6 Armistead, Chairman of the Orange County IDA, our
7 attorney for the IDA, Kevin Dowd, to my left
8 Laurie Villasuso, our Administrative Assistant
9 for the IDA, Frances, our stenographer. We're
10 here this morning to have a public hearing on the
11 Crystal Run Healthcare project in the Town of
12 Newburgh. And I will ask our attorney to read
13 the public hearing notice.

14 MR. DOWD: Thank you, Mr. Chairman. Notice
15 of Rescheduled Public Hearing. Notice is hereby
16 given that the public hearing officinally
17 scheduled for January 3, 2014 and subsequently
18 canceled, has been rescheduled and pursuant to
19 Article 18-A of the New York General Municipal
20 Law will be held by the Orange County Industrial
21 Development Agency on Tuesday, January 14, 2014
22 at 10:00 a.m. local time, at the Newburgh Town
23 Hall, 1496 Route 300, Newburgh, New York 12550,
24 in connection with the following matter: CRH
25 REALTY VIII, LLC, a New York limited liability

CRH REALTY VIII, LLC

1
2 company, for itself or on behalf of an entity
3 formed or to be formed has submitted an
4 application to the Agency requesting the Agency's
5 assistance with respect to a certain project
6 consisting of (i) the acquisition by the Agency
7 of a leasehold interest in an aggregate
8 approximately 8.1 plus or minus acres of land
9 located on Union Avenue in the Towns of Newburgh
10 and New Windsor, Orange County, New York, (ii)
11 the construction on the Land of an approximately
12 65,000 square foot three-story building and
13 related improvements to be used by the Company
14 and its tenants for office and related space; and
15 (iii) the acquisition and installation in, on and
16 around the Improvements of certain items of
17 equipment and other tangible personal property
18 including, but not limited to, HVAC systems,
19 plumbing and electrical fixtures, elevators and
20 office furniture. The Agency will acquire a
21 leasehold interest in the Facility and lease the
22 Facility back to the Company. The Company will
23 operate the Facility during the term of the
24 lease. At the end of the lease term, the
25 Agency's leasehold interest will be terminated.

1 CRH REALTY VIII, LLC

2 The Agency contemplates that it will provide
3 financial assistance to the Company in the form
4 of sales and use tax exemptions, a mortgage
5 recording tax exemption and a real property tax
6 abatement, all consistent with the policies of
7 the Agency. A representative of the Agency will
8 be at the above-stated time and place to present
9 a copy of the Company's Project Application and
10 hear and accept written and oral comments from
11 all persons with views in favor of or opposed to
12 or otherwise relevant to the proposed Financial
13 Assistance. Dated January 3, 2013, By Orange
14 County Industrial Development Agency.

15 MR. ARMISTEAD: Thank you, Kevin. Also for
16 the record, we did receive a support letter from
17 the Town Supervisor and that is on file as well.
18 And at this time, I'd ask if the applicant has
19 any comments?

20 MR. CORDISCO: Good morning, I don't think I
21 need to speak into the microphone, I can never
22 tell when I come to Newburgh ZBA you have to
23 speak in the microphone, in the planning board, I
24 don't but here we are. Yes, I'm Dominic
25 Cordisco, for the record, I'm with the law firm

1 CRH REALTY VIII, LLC
2 of Drake Loeb in New Windsor and it's my
3 privilege to represent Crystal Run Healthcare and
4 their wholly owned subsidiary CRH Realty, VIII,
5 LLC, which is before the board this morning. I
6 also have with me Rich Rosen from Columbia
7 Development and we have copies of the plans. So
8 if anyone is interested, we can make a brief
9 presentation on the proposed building and its
10 location and so you can see what Crystal Run
11 intends to bring to the Town of Newburgh.

12 MR. ARMISTEAD: Very good, thank you,
13 Dominic.

14 MR. CORDISCO: Sure.

15 MR. ARMISTEAD: At this time, I'd ask if
16 there's any questions from the public? Yes,
17 could you stand and state your name?

18 MR. HUGHES: My name is Ron Hughes, retired
19 member of IBEW, former member of the ZBA in the
20 Town of Newburgh and the President of the Orange
21 County Municipal Planning Federation. However, I
22 am here to speak as a taxpayer only. I have
23 several questions. I'm under the impression that
24 you have a board of seven and one out of seven
25 are here this morning?

1 CRH REALTY VIII, LLC

2 MR. ARMISTEAD: That's correct.

3 MR. HUGHES: Kind of hard for me to wrap my
4 head around the fact that you can bring back to
5 your seven members without slant or without
6 leaning biased opinions what took place here this
7 morning or what's about to take place here this
8 morning. The attorney of record has indicated
9 that this is a three story building and now I'm
10 told it's a two story building. And I'd like to
11 know what plan the applicant is presenting at
12 this meeting this morning so we don't get
13 confused with the plan that was proposed and now
14 we have a change and another change and another
15 change. I would say this, there was no
16 description of the amount of jobs during the
17 construction. There was no description of the
18 amount of jobs that would be held afterwards.
19 There was no description of the amount of money
20 that these people will be paid or what types of
21 jobs they will be. And to me, to spread that
22 kind of a tax relief out amongst the taxpayers of
23 the county and the municipality both is out of
24 line and improper. And under the circumstances
25 now with one out of seven board members in

CRH REALTY VIII, LLC

1
2 attendance and scheduling a meeting at 10:00 in
3 the morning which has been complained about prior
4 to your participation and prior to Mr. Dowd's
5 participation. Here we are again at 10:00 in the
6 morning meeting where nobody can get here that
7 has a job except the chosen few that are here.
8 And I would like to complain vehemently that it
9 has the appearance of improprieties all the way
10 around. Without having specifics diagrams,
11 numbers of jobs during construction, prospect of
12 PLA agreements between the local trades, these
13 companies, Columbia and others, have been known
14 in the past to do work with local and at the same
15 time have been known to do work with out-of-state
16 contractors. I'd like a more clear perceptive
17 picture of what's really about to take place
18 instead of just the nutshell generic we're going
19 to get. In the first place, the applicant
20 doesn't own the property and in the second place,
21 I don't know that there is a phase one or phase
22 two or anything else that's ever been done on
23 these properties. It's not in a sewer district,
24 it's not in the water district but a small
25 portion of one of the chunks of these properties

1 CRH REALTY VIII, LLC

2 are. And there is a whole bunch of things that
3 need to be answered before we move any further.
4 I have much more to say but I would like to have
5 those questions answered.

6 MR. ARMISTEAD: You've said a mouthful right
7 now. So we're going to try to address everything
8 that you've presented so far and I will ask the
9 applicant to address some of the issues. But
10 before I ask the applicant to address, I will
11 address some of the issues you addressed to me as
12 the chairman. Like yourself, I've got another
13 job, I don't get paid for this job so I have--

14 MR. HUGHES: I know who you are.

15 MR. ARMISTEAD: You know who I am. And as
16 far as the local labor, I can tell you we have a
17 strong labor policy, we're trying to update,
18 we're in the process of updating that. In fact,
19 it happens to be with the local building trades
20 that you're involved with. So you can rest
21 assured that we're looking at that as well. Now
22 this applicant in the past has used local labor
23 on almost all their projects.

24 MR. HUGHES: I think I said that.

25 MR. ARMISTEAD: As far as job creation for

1 CRH REALTY VIII, LLC

2 the construction of this project and permanent
3 jobs, I think that is in the application that
4 they have submitted. I will defer that to the
5 applicant and the representatives to, in fact,
6 here, I'll read it to you, just so you--

7 MR. HUGHES: Is there a copy of this in the
8 written form?

9 MR. ARMISTEAD: It's a public hearing.

10 MR. HUGHES: Could it be passed out today?

11 MR. ARMISTEAD: Sure. The number of jobs
12 created is 200 construction jobs, permanent jobs
13 will be 237, they are retaining 20 so, you know,
14 that gives you an idea. And there's more
15 information in the application and you're welcome
16 to view that.

17 MR. HUGHES: When you say they're retaining
18 20, there will be 20 people working in the
19 building when it's completed?

20 MR. ARMISTEAD: I believe they're probably
21 going to relocate 20 from some other facility
22 that will be in this new facility plus an
23 additional 237. Am I correct?

24 MR. CORDISCO: That's absolutely correct.

25 MR. HUGHES: Is that combining the figures

1 CRH REALTY VIII, LLC

2 with the construction jobs?

3 MR. ARMISTEAD: No, the construction is
4 separate.

5 MR. HUGHES: Two hundred on construction and
6 237 net-net?

7 MR. ARMISTEAD: That's right. So, anyway,
8 this application you're welcome to see it after
9 the meeting.

10 MR. HUGHES: I would like a copy of it if
11 it's possible. So if you will give me some
12 answers to what I've had or do you want to go on?

13 MR. ARMISTEAD: I'm going to ask the
14 applicant is there any other questions that were,
15 as far as the board is concerned, they all have,
16 you know, outside jobs, they're not paid by the
17 county for their position on the board. We meet
18 monthly. In fact, our meeting is tomorrow at the
19 Accelerator. We alternate our meetings between
20 the Accelerator and the County Exec's office in
21 Goshen so they're always accessible to that.

22 MR. HUGHES: I have one other question.

23 MR. DOWD: Everything you say is being
24 recorded by the stenographer and they get a copy
25 of the minutes.

1 CRH REALTY VIII, LLC

2 MR. HUGHES: I'm very familiar with that.

3 Do you have a copy of the meetings minutes of the
4 last IDA council that was held?

5 MR. ARMISTEAD: I can't remember when they
6 had one in this building.

7 MR. HUGHES: Same thing went on, your
8 predecessor came here by himself with the
9 attorney and a couple of assistants, there were
10 no other board members, it was at 10:00 in the
11 morning, same thing.

12 MR. ARMISTEAD: Those records are available,
13 absolutely public records.

14 MR. HUGHES: Do you have a way that you can
15 get me a copy?

16 MR. ARMISTEAD: Laurie can help you do that.

17 MR. HUGHES: What specifically I would like
18 to read into the record of today's meeting is the
19 comments that were made by both the supervisor of
20 this municipality and others pertaining to what
21 goes on with IDA proceedings and the abatement of
22 taxes for others that are certainly well financed
23 enough to be able to absorb those costs figured
24 entirely into the project.

25 MR. ARMISTEAD: That's the reason we have a

1 CRH REALTY VIII, LLC

2 public hearing because we do listen to the
3 taxpayers of the local community.

4 MR. HUGHES: At 10:00 in the morning I see
5 three other people from the public here, the rest
6 of the room is professionals.

7 MR. ARMISTEAD: If it were up to me, it
8 would be at night.

9 MR. HUGHES: You have to be fair, give the
10 public, you're the boss and you own your own
11 company. I'm retired, I can be here but it makes
12 it very difficult for anyone else who are the
13 stockholders of this municipality, the taxpayers.

14 MR. ARMISTEAD: I do appreciate it and it's
15 noted.

16 MR. HUGHES: I'll listen to what you have to
17 say.

18 MR. ARMISTEAD: I'll ask the applicant if
19 they can address some of the other questions and
20 concerns that you had, sir. Dominic?

21 MR. CORDISCO: Yes, certainly one of the
22 first concerns that I heard was that in
23 connection with the height of the building and
24 Mr. Hughes is absolutely correct. Originally,
25 when Crystal Run submitted to the town concept

1 CRH REALTY VIII, LLC

2 plan, the original concept was for three story
3 building and it when it turned out that the three
4 story building would have exceeded the height
5 restrictions in the town and as a result the
6 planning board referred the application to the
7 zoning board and we made an application to the
8 zoning board and received a height variance for
9 three story building. At the same time, Crystal
10 Run Healthcare, Dr. Teitelbaum and his executives
11 were exploring the most current theories and
12 practices and layouts for healthcare services and
13 in fact, they traveled throughout the country and
14 they visited one facility in particular in the
15 State of Washington where there was a new layout
16 that minimizes waiting, minimizes waiting rooms
17 and was a much more highly efficient layout for
18 providing healthcare. And that they became very
19 interested in because they're building a new
20 building and rather than building one of the
21 similar layouts that they have in the Town of
22 Wallkill and elsewhere, they thought this was a
23 new opportunity for them to proceed with
24 something that might work better. And that's
25 exactly what they did. The only thing is that

1 CRH REALTY VIII, LLC

2 the layout for that building would require two
3 stories, total of 65,000 square feet. So the
4 same square footage but spread over two floors
5 rather than three. And so the current plans that
6 have been presented to the planning board have
7 been for the two story layout and that's the
8 reason why we're proceeding with the two story
9 layout now, even though we were very fortunate in
10 the town's ZBA granting the necessary variances
11 in order to allow a three story building, it
12 turns out it's not necessary at this point.

13 MR. ARMISTEAD: Dominic, those meetings that
14 you had with the planning board were in the
15 evening, correct?

16 MR. CORDISCO: They were absolutely in the
17 evening and the zoning board was a mandatory
18 public hearing as well. At this point in
19 connection with jobs, I know that you have
20 already explained what was included in the
21 application materials and that was an accurate
22 summary of the new jobs and those are
23 predominantly professional jobs, including new
24 doctors and healthcare practitioners. But in
25 terms of construction and their past practices

1 CRH REALTY VIII, LLC

2 Rich Rosen is here and I would turn it over to
3 Rich to go over the fact that Crystal Run
4 Healthcare has used local labor whenever possible
5 and appropriate in the past.

6 MR. ARMISTEAD: I think that's an important
7 note that you brought up, Dominic, is that the
8 fact that these new jobs that are being created
9 are high paying jobs and as you all know, the
10 IDA's purpose is the creation of jobs, economic
11 development stimulus and job creation, especially
12 in the higher end salary, we're really focused on
13 that because as you know, we've been doing a lot
14 of warehouses and we're trying to get a little
15 more diversity in the county and we welcome this
16 type of project to the county. Go ahead.

17 MR. HUGHES: Sir, I heard no comment about
18 the phase one or phase two.

19 MR. ARMISTEAD: Yes?

20 MR. ROSEN: I can speak to that. Good
21 morning, my name is Richard Rosen.

22 MR. HUGHES: I have more to my question if
23 you will allow me.

24 MR. ROSEN: As part of--

25 MR. HUGHES: If you would allow me to finish

1 CRH REALTY VIII, LLC

2 my question.

3 MR. ROSEN: Okay.

4 MR. HUGHES: It's also a critical location,
5 backs up to the reservoir of the City of
6 Newburgh, the downhill sloping is irregular, by
7 reducing the building from three to two stories,
8 237 people, the parking lot is going to cover
9 that whole thing. I would like to know what the
10 developer and what everybody's looking at in
11 phase one, phase two. There was a transmission
12 shop, there was some mechanical operations, I
13 don't know of any phase one or phase two studies
14 that have been done. So I think we're way
15 premature what we're looking at before we get
16 going.

17 MR. ROSEN: I can speak now?

18 MR. HUGHES: Please.

19 MR. ROSEN: Okay, as part of the due
20 diligence in going through and you mentioned that
21 the applicant does not own the property, there is
22 an existing contract in place where the applicant
23 has the option to purchase the property based
24 upon obviously approvals and due diligence, such
25 as an environmental review. As part of our

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2 environmental review for the site regardless of
3 any applications in front of the town when
4 contemplating doing a project of this size, you
5 have to go out and get financing. And as part of
6 the financing requirements and to protect the
7 potential owners of the property, we had to go
8 out and investigate the site doing an
9 environmental phase one and phase two. Now,
10 first of all, there was an existing condition on
11 the site which had an open DEC spill number and
12 closed DEC spill number. So the original
13 property owner did all the required mitigation
14 that the DEC required for whatever contamination
15 was out there, which is basically petroleum
16 products, so that spill file is closed. So
17 according to DEC, the mitigation that was
18 required on that site, the old transmission shop
19 has been taken care of. There are some existing
20 structures out on that property that we went
21 through and we did our environmental phase one
22 report and some potential asbestos containing
23 materials which triggered us to do an
24 environmental phase two. That report has been
25 completed and done Clough Harbor was the

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2 environmental consultant that we do, we have done
3 an environmental phase one and phase two and as
4 we go through the planning process with the
5 planning board and the other municipalities that
6 are involved, we also have completed and filled
7 out an environmental assessment form which is
8 part of our application which also addresses and
9 identifies any potential environmental issue. So
10 we have completed all the environmental reports
11 that are required.

12 MR. HUGHES: Are those available?

13 MR. ARMISTEAD: They're on record.

14 MR. ROSEN: Second part of the question in
15 regards of the proximity of the watershed, we're
16 working with DEC, County Planning and we're
17 working with the town to go above and beyond the
18 typical state regulated SWPPP requirements for
19 storm water and we plan on, and we know the
20 sensitivity of the area, so we plan on using and
21 working with DEC to try to implement the best
22 treatment retention and outflow system that we
23 can for the site. So we're going to go above and
24 beyond the minimal standards for DEC which DEC
25 has for that site.

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2 MR. HUGHES: Thank you for answering those
3 questions. I have some more if I may?

4 MR. ARMISTEAD: Go ahead.

5 MR. HUGHES: The City of Newburgh and the
6 Town of Newburgh are co-owners of the sewage
7 treatment plant. I don't see any representatives
8 from the city here. I don't know that the town
9 and the city have agreed that because of the
10 joint use and the capacity access that's
11 available that they have met and they are
12 supposed to by law to agree with each other that
13 this can be added onto the thing. And there's no
14 represented gallons per minute, gallons per day
15 or anything that I've heard so far. I'd like to
16 know in a medical situation where you have 237
17 employees I'm going to guess you're going to be
18 seeing 1,000 people a day at three gallons a
19 head, is this compatible to what we're faced
20 with, the limitations of the sewage treatment
21 plant right now being two thirds built out at
22 nine million gallons provides four and a half
23 million gallons a day to each municipality. And
24 in that respect, we're pushing thresholds all
25 over the place because it can't handle anymore

1 CRH REALTY VIII, LLC

2 when it rains, certain weather conditions, snow
3 melt-offs and such, the sewage treatment plant
4 gets overrun quite regularly. We're at our
5 maximum here. I don't see any participation with
6 the city and town agreeing that the town's water
7 system and the town and the city's sewage
8 treatment plant can handle all of this. There's
9 too many unknowns here, there's too many gallons
10 per minute and costs per day this and that are
11 here that I don't have answers to and I'm not
12 comfortable with.

13 MR. ARMISTEAD: Do you want to address that?

14 MR. ROSEN: This is, a lot of this has to do
15 with, and these are very good questions, very
16 good comments and you're on point with everything
17 that you're saying, but a lot of this has to do
18 with the planning board and the town engineer
19 review process for the project. Today we're here
20 for the IDA but I'd be glad to speak to those
21 things. We're working with all the local
22 utilities in trying to obtain the necessary
23 approvals to obtain a permit to hook into the
24 water, a permit to hook into the sewer and that's
25 part of the site plan approval process and the

1 CRH REALTY VIII, LLC

2 planning board planning process that we're
3 working with right now with our civil and town
4 engineers. So that's not complete but it's
5 ongoing. And we have reviewed usage for both
6 water and discharge for sewer and we're pretty
7 confident that the municipalities will be able to
8 accept this facility and take care of our needs,
9 like you said, even though you think medical,
10 we're really not a high water user as compared to
11 you start looking at say a residential place
12 where people are taking showers. Here you
13 basically have toilets flushing and hand washing
14 going on and when you're fairly accurate with the
15 amount of visits per day, we're a little bit
16 under the 3,000 gallon per day threshold which is
17 in our site plan application. We're working with
18 local town engineers to sort through the details
19 so we can go obtain those permits.

20 MR. HUGHES: Thanks for answering those
21 questions. Now there's other people that have
22 questions.

23 MS. BOYLE: My name is Kim Boyle and I'd
24 like to read a statement to the IDA. I'm from
25 the Conservation Advisory Council, City of

CRH REALTY VIII, LLC

1
2 Newburgh. Regarding the Crystal Run Healthcare
3 to the Orange County IDA. "The City of Newburgh
4 Conservation Advisory Council is a legislative
5 body appointed by the City of Newburgh's City
6 Council, tasked with the responsibility of
7 overseeing the city's natural resources. These
8 include the City of Newburgh's drinking watershed
9 and the two reservoirs located outside the City's
10 boundaries surrounded by the Towns of Newburgh
11 and New Windsor. This council has recently
12 become aware of the proposed development along
13 New York State Route 300 corridor which is slated
14 for intensive development. The site adjoins the
15 forested buffer surrounding Washington Lake which
16 is our main source of drinking water for the
17 28,000 plus residents of the City of Newburgh.
18 At times the Town of Newburgh utilizes this
19 drinking water source as well. The old Flannery
20 Animal Hospital and an automotive transmission
21 shop were once located on the site. Contaminated
22 soils related to the latter use are to be
23 expected. Both surface and ground water from
24 this site contributes to the quality and quantity
25 of the water entering Washington Lake and the

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2 council will expect to review the EAF and EIS
3 related to this significant project. Utmost care
4 must be taken when designing and developing this
5 site in order to ensure the protection of the
6 drinking water source. Otherwise, the potential
7 environmental impacts associated with the
8 development may translate into an economic burden
9 on the City of Newburgh with relation to
10 increased water treatment costs." So from a
11 PILOT point of view, we're concerned that a
12 balance be met between the PILOT that may be
13 offered to the project and the additional
14 expenses that are going to be incurred by the
15 City of Newburgh and its water treatment
16 facility. I do know that the City of Newburgh
17 intended to be here today and I know they have
18 prepared some kind of a statement, we were a
19 little concerned that this gentleman just spoke
20 of who they're working with and the City of
21 Newburgh was not even mentioned, yet it's our
22 drinking water source. So we need to be made
23 sure that all documents and all information
24 relating to this that the engineering department,
25 the water department and the city manager be

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added to that copy list because engineering and planning were not notified of this. Thank you.

MR. ARMISTEAD: Dominic, any comments to that?

MR. CORDISCO: In regards to storm water, it's something that Crystal Run Healthcare has been taking very seriously as well as the Town of Newburgh Planning Board and consultants. Typically, New York State DEC requires a mandatory minimum of treating 100 percent of the site storm water, capturing it, treating it prior to release. The town and their consultants asked us to increase that threshold beyond 100 percent to 110 percent because of the proximity of this site to Washington Lake which no one is ignoring. We have submitted plans which are currently under review by the Town of Newburgh Planning Board and our proposed storm water system actually captures 122 percent of storm water. So we have gone 12 percent above what the town has asked us to do which is discretionary on their part, just to be perfectly clear, state law requires us to treat 100 percent, it's not 110 percent, not 122 percent, we're voluntarily doing that.

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2 MR. ARMISTEAD: Okay, does that satisfy you?

3 MS. BOYLE: Would we, would the Conservation
4 Advisory Council be able to get copies of--

5 MR. ROSEN: It's all public record.

6 MS. BOYLE: What's your relationship with,
7 I'm sorry, how are you notifying the City of
8 Newburgh about all of this?

9 MR. ROSEN: Well, the Town of Newburgh
10 Planning Board is the lead agency for the
11 environmental review and all the local
12 municipalities are listed as interested agencies
13 and copies are available and they're being
14 notified of the process.

15 MS. BOYLE: You're not going out of your way
16 to notify us. You can make an extra effort to
17 make sure that we're notified.

18 MR. CORDISCO: Not at all, I mean, the Town
19 of Newburgh Planning Board circulated for lead
20 agency and provided a copy of the Environment
21 Assessment Form and sent it to the adjoining
22 municipalities, for instance, it sent it to the
23 Town of New Windsor, the Town of New Windsor
24 Planning Board reviewed that information and came
25 to the conclusion that the Town of New Windsor

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2 was satisfied, excuse me, that the Town of New
3 Windsor was satisfied with the Town of Newburgh
4 Planning Board taking lead agency and had no
5 further concerns so they wrote back. This is a
6 process that included not only the Town of New
7 Windsor but also the City of Newburgh.

8 MS. BOYLE: Okay, when this is done, perhaps
9 you could help me identify the City of Newburgh
10 liaison on this. Thank you.

11 MR. CORDISCO: Sure.

12 MR. ARMISTEAD: Any other questions?

13 MR. HUGHES: Yes, I don't hear anything at
14 all in this conversation that's taken place so
15 far this morning and by the way, this project is
16 going to appear before the Town of Newburgh's
17 Board Thursday night. This is nuts, you don't
18 even have all the cards out on the table yet for
19 people to digest this or go on and yes, the Town
20 of Newburgh's Planning Board might be the lead
21 agency now, but as Miss Boyle indicated, they
22 have no idea that anyone's been contacted. And
23 going back to the co-ownership of the sewage
24 treatment plant, anybody in the room besides
25 myself aware that that takes place or is that a

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pipe dream?

MR. DOWD: Sir, I think, Mr. Chairman, we really need to concentrate on what this public hearing is for, which is again on the IDA benefits that are being offered to the applicant and applied to by the applicant. All what you're talking about is all relevant, if they don't get passed the planning process, what we do as an IDA is irrelevant, they get next to no benefits. If the project is not approved, it's gone. So we're here to talk about the IDA. You want to talk about the planning process, that's great, but you really should do it at the planning board itself because they're the ones that are going to listen to you and control all of these reviews that you're asking for and all the information you're asking for as to the project itself and the impacts will be in the planning process.

MR. HUGHES: Well, how would you expect someone to digest all this and be prepared to make a presentation on Thursday night?

MR. DOWD: Again, that's, I'm sure the planning process is going to take a lot longer than one meeting on Thursday night, I'm sure

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2 they're going to listen, to have extensive public
3 hearings on this project, extensive environmental
4 review. But again, we're here this morning for
5 the IDA, not for the planning process. So again,
6 if you have any comments you want to make about
7 the sales tax exemptions and the mortgage tax
8 exemptions and the PILOT, we would be happy to
9 hear them.

10 MR. HUGHES: Can I start right now about all
11 that?

12 MR. DOWD: Please.

13 MR. HUGHES: Okay, I read the charts of
14 what's required here and it's, to me, it's beyond
15 belief that an agency can act in this fashion
16 where you're giving somebody 10 years before they
17 start to pay anything. Why don't you have them
18 pay the full thing up front and reduce
19 five percent a year as it goes along? Instead of
20 this way we've got the cart in front of the
21 horse. Suppose we end up in bed with a lemon
22 partner and 10 years go by, no tax, they run wild
23 and the eight year be one, one, one or eight,
24 whatever you want to call it.

25 MR. ARMISTEAD: Sir, this is one of the

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2 biggest employers in the county who's been
3 producing, has been a tremendous economic,
4 brought tremendous economic impact to this county
5 by creating high quality jobs to the taxpayers of
6 this county. They have a proven track record
7 throughout the county in many, many sites. What
8 we're looking at, our job is to create, you know,
9 economic development, create good jobs for our
10 tax paying residents of the county, they're doing
11 that. And we're giving them some incentives to
12 continue doing that and, you know, they're going
13 to be paying taxes right out of the gate, just a
14 graduated arrangement, there's no taxes coming
15 in, very little taxes coming in on that property
16 right now. So, you know, that's how we look at
17 it. And I think Kevin has addressed, you've
18 raised a lot of good questions and we appreciate
19 that, but I think they need to be directed and
20 you should have the support at the planning board
21 meeting on Thursday. I really know we're here to
22 deal with the tax incentives that we have
23 authority to deal with. The applicants are good
24 business people that will create jobs and good
25 economic stimulus, that's our purpose.

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MR. HUGHES: So now I have this question.

Is the county going to pick up the deficiency in the tax or the municipality going to pick up the deficiency in the tax?

MR. DOWD: There are no deficiencies in the tax. In other words, whatever they're paying in taxes today they continue to pay those taxes. When they put the improvements on, there will be a graduation every year, there will be an increasing assessment by 10 percent.

MR. HUGHES: Starting in year one?

MR. DOWD: Starting in year one I believe yes, so at the end of 10 years, you'll be at 100 percent full assessed value.

MR. HUGHES: So are you telling me you're not going by the descriptive conscript of how this is supposed to work? I have a sheet that I took offline this morning, says uniform tax exemptions schedule is year one no property taxes, year two 10, year three 20 and so on so somebody's not giving the right answers here.

MR. DOWD: It's when you start, when you complete construction the first year, it's at the end of the first year is when the first

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2 10 percent kicks in, they have to have the
3 building constructed.

4 MR. HUGHES: You're saying year two, in
5 other words --

6 MR. ARMISTEAD: When they have Certificate
7 of Occupancy.

8 MR. DOWD: One year from the date
9 construction is complete, let's put it that way.

10 MR. HUGHES: So now the taxpayers are the
11 stockholders of the municipalities and the board
12 of directors, your counsel is supposed to go by
13 how they want to use their money passing it on to
14 the CEOs, the supervisor or whatever, mayor, I
15 don't feel as though that I should have to have
16 my taxes increase. They've gone up approximately
17 10 percent per year for the last 10 years, why
18 should I have to pay anymore? My taxes now on my
19 house are comparable to a trailer lot rent,
20 they're going up to where it's almost the cost of
21 a one bedroom apartment.

22 MR. ARMISTEAD: If anything, your taxes, I
23 mean, this is increasing the tax base, this is a
24 business that's coming and there will be more tax
25 revenue coming to the town than you have now.

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2 MR. HUGHES: And for every dollar that a
3 municipality collects on a commercial industrial
4 or residential they spend \$1.25 over and above
5 the dollar they receive. So would you give me
6 all the money you have and I can tell you?

7 MR. DOWD: You're talking to the wrong
8 people on that one, what the budget of the Town
9 of Newburgh is and how much the town spends on
10 town services is not the IDA's issue.

11 MR. HUGHES: But we keep segmenting.

12 MR. ARMISTEAD: We can go on all day. Let
13 me tell you, we looked at the mall down on Route
14 300 and I can tell you your town supervisor came
15 and addressed his concerns on the issues you're
16 concerned with. He was looking out for the best
17 interest of the taxpayers of the Town of Newburgh
18 and that did not get any benefits from the--

19 MR. HUGHES: I sat through another one where
20 the supervisor said exactly what I'm saying on
21 another project.

22 MR. ARMISTEAD: We're doing our due
23 diligence, there's no pass-through here,
24 everybody's looking at each project standing on
25 its own and we, that's what we have public

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2 hearings for, we want to hear from you and, you
3 know, on all these projects that we're
4 contemplating that's why we have a public
5 hearing, we're digesting everything, we're here
6 today, we'll take it to our board and discuss
7 what we're going to do. There may be something
8 that will come out of the planning board that
9 might come back to us that maybe we'll revisit
10 what we're doing but I can tell you this is with
11 all the facts that we have, this is what we
12 propose we would be doing for the applicant. So
13 yes? State your name please.

14 MR. O'MALLEY: John O'Malley, I'm a
15 Communication Workers of America representative
16 and I'm also a resident of the Town of New
17 Windsor. My question has to do with the jobs
18 that are created, not only on this particular
19 project but on all the projects, really I just
20 have a few questions.

21 MR. ARMISTEAD: Go ahead.

22 MR. O'MALLEY: So the jobs that are created
23 for building, I want my tax investment obviously
24 to go toward people that live in the county or
25 jobs for people that are local people and I know

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2 that you guys are working toward that with the
3 building trades and so on.

4 MR. ARMISTEAD: Correct.

5 MR. O'MALLEY: As far as the permanent jobs,
6 the new permanent jobs as I heard before some of
7 them are going to be professional jobs, doctors,
8 maybe P.A.s, things like that, some of them are
9 going to be receptionists or folks that are staff
10 that work in the place. So I assume that those
11 staff jobs are going to be jobs that I personally
12 am not satisfied with things like 12 or \$14 an
13 hour with a 401K, things that are depressed as
14 compared to what the jobs used to be. So I'm
15 hoping that we can do better in that area.

16 That's just sort of a general statement. As far
17 as the professional jobs, I assume that these are
18 not people that are graduating from
19 Washingtonville High School and going to OCCC,
20 they're probably people that are going to be
21 moving in from somewhere else into this area. So
22 even though we're creating good paying jobs, it's
23 not really for the residents of Orange County.

24 MR. ARMISTEAD: Well, just so you know, I
25 know Crystal Run Healthcare's worked very closely

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2 with OCCC on healthcare, healthcare careers and
3 there's been a big impetus on that in the last
4 couple years. In fact, we've helped and worked
5 with the college on that issue. So a lot of
6 these jobs that these new jobs could be residents
7 of Orange County who have, you know, took
8 advantage of the programs that were at OCCC in
9 the healthcare field. So, you know, we're hoping
10 that's the case, you know, that this is all
11 contemplated when we're looking at these
12 projects.

13 MR. O'MALLEY: Finally just wanted to make
14 sure there was some sort of fallback procedure we
15 had in Orange County as far as if the project
16 doesn't produce what it should, do we have a
17 process for that?

18 MR. ARMISTEAD: Well, on the labor policy
19 we're looking at all those issues currently and
20 you're right, we're meeting with the building
21 trades, probably be meeting with them in the next
22 week, we've had a couple meetings already and
23 we're really working closely with them, had a
24 couple good meetings so far. And I anticipate
25 we'll have something to deliver to the full board

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2 not at tomorrow's meeting but the following month
3 we're hoping we can put this, in fact, we're
4 working with other IDAs throughout the state to
5 try and embrace the best labor policy cause we
6 get it, we want that work that's going to be the
7 construction side of it to be local Orange County
8 taxpaying residents as well, believe me.

9 MR. O'MALLEY: Finally, on an anecdotal
10 level, do you find that your efforts are being
11 stimated by the Regional Economic Council?

12 MR. ARMISTEAD: I don't think so. I think
13 that we're all on the same team, you know, we're
14 the county but we also think regionally too.
15 We're looking at things from a regional
16 standpoint as well. I know the new county
17 executive thinks that way as well and we're all
18 on the same team doing, trying to create good
19 quality economic development and jobs, job
20 creation in our whole area so thank you.

21 MR. DOWD: Just for the record, the
22 estimated annual salary range for the permanent
23 jobs 40,000 to 150,000, just to give you an idea.

24 MR. ARMISTEAD: Thank you, Kevin. Any other
25 questions?

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MR. HUGHES: Kevin, do you have any ratio proportions, percentages of where the 40 starts, where the 150 ends and how many are in between?

MR. DOWD: I don't, I'm going by the application, I don't know if Mr. Cordisco has that breakdown.

MR. CORDISCO: Not with me.

MR. HUGHES: Mr. Rosen?

MR. ROSEN: I don't have the exact breakdown, we can get that from Crystal Run, they have done that model over and over here in Orange County, I believe they're one of if not the largest private employer in the county, they probably offer 1,000 jobs throughout the county that they have generated over the last 10 years. I would say there's going to be at least the 50 new physicians in this building which would be the higher salary range. You have to remember when they recruit these residents that are coming off the residential tours of various hospitals throughout the area, it's very important to Crystal Run that these physicians actually live in the community that they provide healthcare in so they want them to become part of the

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2 community, that's part of the their recruiting,
3 part of the mantra of new hires. Take the
4 economic impact another step farther besides the
5 job creation and the salaries, you look at
6 spinoff economically of a new family coming to
7 the area, buying a house, spending money locally
8 on retail, the taxes that they'll pay, it
9 continues to be a benefit to the county and to
10 the town when a new physician moves into the area
11 and then on top of that it obviously is the
12 better healthcare that's going to be provided to
13 the community. So, you know, when you start
14 thinking big picture, I know everybody here has,
15 the economic impact is just more than just the
16 jobs and taxes, it's the through-put throughout
17 the community on all the other service oriented
18 services that are existing, the businesses that
19 are existing here in the town that will benefit
20 for having more people here with expendable
21 income living and supporting the community.

22 MR. HUGHES: So would it be safe to say that
23 you're pushing for a PLA agreement for this
24 project?

25 MR. ROSEN: Well, you know, I really wish

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2 and what I feel personally and obviously this is
3 my side of the story, this is the third, one,
4 two, three, the third major project that we've
5 done in Orange County for Crystal Run within the
6 last 10 years, we've also done one out in
7 Sullivan.

8 MR. HUGHES: Are you talking cookie cutters,
9 same plan?

10 MR. ROSEN: No, we said this has a new two
11 story model.

12 MR. HUGHES: It was three stories last week.

13 MR. ROSEN: Not last week but in the
14 beginning, yes. But Crystal Run should be
15 commended for their recognizing the need to work
16 with local trades.

17 MR. HUGHES: He's sitting there shaking his
18 head no PLA.

19 MR. ROSEN: We have never had to sign a PLA.

20 MR. HUGHES: I don't say have to, but makes
21 good sense if you're going to sit there and tout
22 that you're going to play with the spinoff, you
23 have to be in the dance, you can't be on the
24 sideline.

25 MR. ROSEN: I think if you looked at and we

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2 have had meetings with, plenty of meetings with
3 local organized labor that they are very
4 satisfied on how we construct, we have given them
5 specific breakdown ratios on the last few jobs
6 who we have hired, where they work, what county
7 they live in and we definitely use obviously 100
8 percent of New York State, New York contractors
9 and 60 to 70 percent are within Westchester or
10 Orange and Sullivan County.

11 MR. HUGHES: Let me make myself perfectly
12 clear First Columbia, we don't want guys from
13 Albany working here, we want guys, local work
14 here.

15 MR. ROSEN: For instance, you say, first of
16 all, we're not First Columbia.

17 MR. HUGHES: I'm making the comparison.

18 MR. ROSEN: When you say Albany guys, you're
19 talking about a project manager and his support
20 staff are in Albany. All the contractors that
21 are hired are from down here so it's not like
22 we're bringing 200 people from Albany down here
23 to build this building, we're using local trades.
24 And historically, Crystal Run should be commended
25 for their commitment to work with the local

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2 trades and union labor cause that's been one of
3 their policies throughout.

4 MR. HUGHES: Alright, it's a little bit
5 tough for me to give up more money of my tax base
6 and other members of the county when Dr.
7 Teitelbaum flies in in his helicopter and gets
8 into his limousine to come and see the project.

9 MR. ROSEN: I've built all of his buildings,
10 I've never seen him in a helicopter.

11 MR. HUGHES: Maybe you don't get around as
12 well as I do.

13 MR. ARMISTEAD: Any other questions?

14 MR. HUGHES: Yes, I have some more. What's
15 this going to do to the tax base for the school
16 district?

17 MR. ARMISTEAD: Well, school district has
18 been notified. Anybody here from the school
19 district?

20 MR. HUGHES: I'm not saying they're not
21 here.

22 MR. ARMISTEAD: No, the reason I say that
23 they're all notified and we have many public
24 hearings where the school district is very
25 interested in what we're going to be doing.

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2 MR. HUGHES: Maybe it was your 10:00 in the
3 morning.

4 MR. ARMISTEAD: I doubt it, no.

5 MR. HUGHES: Why aren't the rest of your
6 seven members here?

7 MR. ARMISTEAD: They have other jobs too.

8 MR. HUGHES: Okay, so then, you know, this
9 is my stuff, that's not flour man, I'm an old
10 guy, I've been around.

11 MR. ARMISTEAD: Well, I think you bring some
12 good questions. Anybody else have any questions?
13 I think we've beat this to death but I appreciate
14 your comments.

15 MR. HUGHES: I guess you've never been in a
16 good fight.

17 MR. ARMISTEAD: I've been in plenty of
18 fights.

19 MR. HUGHES: You just considered yourself to
20 be beat to death.

21 MR. ARMISTEAD: In any event, I appreciate
22 everyone's questions and time to attend this
23 public hearing. We wish the applicant well, I
24 know you'll have many more meetings with the
25 local authorities, the planning board and I wish

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2 you well there.

3 MR. HUGHES: You're not going to answer my
4 question about the money on the school districts?

5 MR. ARMISTEAD: Well, we haven't heard from
6 the school district to be honest with you.

7 MR. HUGHES: In the real world, Kevin or--

8 MR. DOWD: School district ultimately is
9 going to be benefited, there's no school-aged
10 children going to this.

11 MR. HUGHES: When the doctors come in they
12 have no kids?

13 MR. DOWD: They may not live in the Newburgh
14 School District, they can live anywhere in the
15 county or neighboring county.

16 MR. HUGHES: How many of these cars are
17 going to have Pennsylvania plates, Jersey plates,
18 Connecticut plates that commute?

19 MR. DOWD: There's no way that we can tell
20 you that.

21 MR. HUGHES: So it's not for local jobs.

22 MR. DOWD: If they come to the county they
23 then settle down in the county, that's a local
24 job.

25 MR. HUGHES: You guys keep saying if and

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2 hope, hope is the only thing left in the bottom
3 of Pandora's Box.

4 MR. DOWD: We're not Crystal Run, we don't
5 hire. As far as the impact to the school tax
6 wise, ultimately this is not going to, the
7 building itself is not going to add any
8 school-aged children, it's going to add more
9 money to the tax rolls, more money to the tax
10 revenues.

11 MR. HUGHES: Do they pay the full rate of
12 the school tax?

13 MR. DOWD: They get abatement as well.

14 MR. HUGHES: So has a PILOT in lieu of taxes
15 been considered on top of this piggyback for what
16 they're getting in benefits? It far outweighs
17 the amount of money the municipality has to use.

18 MR. DOWD: The PILOT is one of the benefits
19 that they have asked for on a benefit that the
20 IDA is considering.

21 MR. HUGHES: I haven't heard any
22 representations or figures on that, enlighten me.

23 MR. DOWD: Okay, as far as the estimated
24 property tax abatement according to their
25 application it could come to \$801,218, estimated

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2 mortgage tax exemption \$186,027, estimated sales
3 tax \$1,051,922.63.

4 MR. HUGHES: Any estimated, total cost of
5 the project?

6 MR. DOWD: Private funds being invested over
7 \$26 million and payroll expected to be over \$20
8 million and expected gross receipts over \$46
9 million.

10 MR. HUGHES: What rule of thumb to tell me
11 that traditionally for every \$20 million there's
12 \$800 per annual in taxes that are evaporating
13 here, I don't know if you're aware of these
14 figures. If you'd like, I can read them to you.
15 I have copies here with me if you'd like to view
16 them.

17 MR. DOWD: If you want to submit, if you
18 have something, anything you want to submit in
19 writing to the IDA for their consideration as
20 part of the record, we would be glad to accept
21 it.

22 MR. HUGHES: Is there a 30 day time limit in
23 writing before this public hearing is considered
24 to be closed?

25 MR. DOWD: No.

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2 MR. HUGHES: Are you anticipating closing
3 this public hearing today?

4 MR. ARMISTEAD: Yes.

5 MR. DOWD: Yes.

6 MR. HUGHES: I would ask you at this point
7 to leave it open until after the next two
8 planning board meetings because of the
9 inconvenience of the time that you have set and
10 the inability of the taxpayers to make their
11 comments, you should at least afford them the
12 opportunity of a 30 day extension to receive
13 comments in writing.

14 MR. DOWD: The notice of the public hearing
15 invites oral and written comments, so anyone who
16 wanted to and could not make it today could have
17 written a letter.

18 MR. HUGHES: I read that but I'm looking at
19 an, for an extension, I'm hoping in good judgment
20 and sense you'll afford that. You're the guy
21 that's telling me it's a long process and it
22 isn't going to be beat the clock, is 30 days
23 going to kill you?

24 MR. CORDISCO: Mr. Chairman, if I could?

25 MR. ARMISTEAD: Yes.

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2 MR. CORDISCO: If I could respond on a
3 number of points here? I think that there's been
4 a confluence here of environmental issues tied to
5 what our essentially tax incentives to entice the
6 project to the Town of Newburgh.

7 MR. HUGHES: Drinking water included?

8 MR. CORDISCO: Excuse me, I did not
9 interrupt you and I will not tolerate you
10 interrupting me. Do you understand that?

11 MR. HUGHES: Don't point at me.

12 MR. CORDISCO: I'm pointing my finger to
13 make it clear that you will not interrupt me. Do
14 you understand me?

15 MR. O'MALLEY: Be careful.

16 MR. CORDISCO: Is that a threat?

17 MR. HUGHES: That's a promise.

18 MR. O'MALLEY: Have some respect.

19 MR. HUGHES: Would you mind telling us--

20 MR. ARMISTEAD: Dominic, address this.

21 MR. DOWD: With all due respect, please let
22 Mr. Cordisco speak. And if you have something
23 else you want to add, if Mr. Chairman wishes to
24 hear you, we'll hear you, okay?

25 MR. HUGHES: Will I be able to get in his

1 CRH REALTY VIII, LLC

2 face or do I have to behave?

3 MR. DOWD: Let's all be gentlemen here.

4 MR. HUGHES: I was hoping for that.

5 MR. CORDISCO: Well, gentlemen don't
6 interrupt each other, so I would appreciate it if
7 Mr. Hughes didn't interrupt me.

8 MR. ARMISTEAD: You have the floor,
9 Mr. Cordisco.

10 MR. CORDISCO: Thank you very much. The
11 concept and it's a misconception that there are
12 tax consequences to residents and the people of
13 the Town of Newburgh is a misconception. Because
14 what we're talking about here is the taxes that
15 are paid on this property today are going to be
16 the taxes that are paid on this property at a
17 minimum moving forward. The basis and the
18 purpose of the 10 year PILOT of course I don't
19 have to educate you, but the purpose of the 10
20 year PILOT is for the gradual increase and ramp
21 up of the tax benefits so that that would provide
22 an incentive to the project. It doesn't cost or
23 take money out of anyone's pocket, whether they
24 live in the Town of Newburgh or City of Newburgh
25 or anywhere else to make this project happen. So

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2 what you're doing is if this project is improved
3 for incentives to come here is ramping up those
4 tax benefits. There's been a lot of comment here
5 today regarding environmental issues but quite
6 frankly, this board, the IDA board has to deal
7 with only the tax benefits to the project. They
8 are not appropriate for this forum, there's other
9 forums for them. And in regards to notice, this
10 project was originally scheduled for a public
11 hearing at the very end or actually was it
12 beginning of January, I believe, and even though
13 it wasn't snowing out at the time, the snow storm
14 was coming the day before and so as a result, the
15 hearing was rescheduled to make sure that anybody
16 who wanted to come here could come here. And so
17 it was actually not noticed once but it was
18 noticed twice. It was in the newspaper and the
19 Times Herald Record twice and both of those
20 notices made it clear that if you can't get here,
21 you can also write in. So effectively, there's
22 been approximately 30 days of advanced notice of
23 this public hearing. In my opinion, there's been
24 ample opportunity for comment. We're looking to
25 move forward, Crystal Run has long term planning

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2 in mind and so we need to start construction this
3 year if this building is going to be up and
4 running next year and if it's going to be up and
5 running next year, Crystal Run and Dr. Teitelbaum
6 have to fill it with doctors and other
7 professionals so we have to plan that out. Those
8 interviews don't happen overnight, they don't
9 happen in six weeks, it happens over a period of
10 time. So we have to fill this building with
11 qualified, professional people that are going to
12 be coming here and making their commitment to
13 being here. So we're asking that the IDA move
14 forward with its decision making process now
15 because the purpose of the IDA process is solely
16 as a tax incentive for the project and nothing
17 else.

18 MR. ARMISTEAD: Thank you, Dominic, your
19 points are well taken. Yes?

20 MS. BOYLE: Thank you, and thank you for
21 those comments. Just to make a technical point,
22 I did try to find a notice about this meeting on
23 the IDA website and I could not find that notice.
24 And when I called your office yesterday, the gall
25 that works there said oh, yes, that's in the

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2013--

MR. ARMISTEAD: She's sittings right here.

MS. BOYLE: -- that's in the 2013 notice.

So it was not, I don't think your office, I think your office maybe could have been a little bit better about making this public hearing available to the public just as a technicality. And as to the comment about connecting the environmental issues with the PILOT, I think it's very important that we remember that there is a direct connection because as City of Newburgh residents and taxpayers if we have an additional burden to protect our drinking water source that becomes the tax issue for us. So we can't separate, we can't separate what's good for the project from what's good for the surrounding neighborhood. It's our job to protect the water for everybody and if, I'm sure that it sounds like very careful plans are underway, however, you know, we've got 200 and some odd parking spaces. And all of that is, you know, all of that permeable, impermeable pavement, we don't know yet, you're right, that's part of the plan. However, if we go to the plan and we don't, we weren't satisfied with the

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2 draining situation or we aren't satisfied with
3 the environmental concerns, the burden of that
4 falls on the City of Newburgh, it doesn't fall on
5 the Town of New Windsor or anybody else, it falls
6 on us. So we just would like to reiterate the
7 importance of just keeping that in mind because,
8 you know, later on down the road we don't want to
9 be in a position of having to sue other
10 municipalities because they haven't taken that
11 into consideration and now we're taking on their
12 burden. So I just wanted to make that comment.
13 Thank you.

14 MR. ARMISTEAD: Thank you. Points are well
15 taken and we're considering all that. From what
16 I've heard from the applicant, they're doing
17 their due diligence on, in fact, they're going a
18 little bit beyond what's required. And but I
19 hear what you're saying but the infrastructure
20 impacts and all those things I'm sure they're,
21 it's obvious they're addressing them and the town
22 planning board is obviously addressing them and I
23 think as a result of this meeting you'll be going
24 back to your group and you'll know how to, you
25 know, get the information that you need to

1 CRH REALTY VIII, LLC

2 satisfy, that you're satisfied that they're doing
3 everything that needs to be done with this
4 project. Thank you. Okay, if there's -- yes,
5 yes, sir?

6 MR. VENEZIA: My name is John Venezia, I'm
7 the Assessor for the Town of Newburgh.

8 MR. ARMISTEAD: Good morning.

9 MR. VENEZIA: Good morning, I'm not taking
10 sides here, just expressing my opinion as the
11 Assessor. Basically, the way I look at the
12 situation is if it's an existing property as it
13 is now and basically is not viable in its present
14 condition and going forward they will be paying
15 the taxes that they're paying now with having a
16 new facility which is not a competing facility
17 with other similar businesses, it can only be a
18 positive for the town. And in addition to that,
19 it creates, people have to work there, 230 people
20 they're going to be living here and they can only
21 improve the residential area because it's going
22 to be moving forward, even if they have kids
23 going to school, the amount of kids going to be
24 generated for the schools is not going to really
25 affect the school taxes. And I think that

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2 overall economically I think it's beneficial and
3 I look at it as from the point of view of an
4 assessor is that certain businesses need, you
5 know, an initial break because first thing I
6 learn about assessing is the power to tax is the
7 power to destroy. So you want to give these
8 people a chance to basically get on their feet
9 and get going. And I've had new developers come
10 in, they are coming to see me to see how the
11 assessment is going to work and I try to work
12 with them where you don't initially kill them so
13 that they're out of business quick. And that can
14 happen very quick. So just given the fact I'm
15 not in favor of the taking like the forestation
16 point of view like if it's a natural setting, you
17 don't want to get in there and cut the trees and
18 make new development that creates a whole
19 environment of destruction and I'm not in favor
20 of that at all. I think that the Town of
21 Newburgh, the county should keep in mind that we
22 should try to keep our natural settings as
23 natural as possible. But in this case, it's an
24 existing, nonviable property, it should be
25 improved upon.

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CRH REALTY VIII, LLC

MR. ARMISTEAD: Thank you. Okay, I think we have exhausted all the questions today. I appreciate everybody's input and again, we wish the applicants all the best in this project and thank you for all coming today. Thank you.

(Proceedings concluded at 11:00 a.m.)

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C-E-R-T-I-F-I-C-A-T-I-O-N

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

that the foregoing is an accurate record of the testimony,
as given, to the best of my knowledge and belief, the same
having been stenographically recorded by me and transcribed
under my supervision.

That I am not related to any of the parties involved in
this matter, and that I have no personal interest
whatsoever in the outcome thereof.

FRANCES ROTH



Responsible Contractors

330 MEADOW AVE., NEWBURGH, NY 12550

Tel: 845-562-4280 • Fax: 845-562-1448

www.ccahv.com

A. Alan Seidman — Executive Director

January, 16, 2014

Chairman Robert Armistead
Orange County IDA
Crotty Road
New Windsor, NY 12553

Dear Chairman Armistead and Members of the IDA:

I understand that at yesterday's IDA Board meeting, there was concern voiced about use of local labor on the Crystal Run project in the Town of Newburgh.

As a point of clarification, on December 13, 2013, I met with Crystal Run CEO, Dr. Hal Teitelbaum, several members of his staff and representatives of Crystal Run's Construction Manager (Columbia Development) and was given a commitment of a minimum 80% local labor to be used in construction. Dr. Teitelbaum explained the only reason he cannot guarantee 100% labor, is that there will be specialized medical equipment that must be installed by vendors that are not available locally.

Given Crystal Run's past history of using local labor and commitment of Dr. Teitelbaum, Construction Contractors Association is pleased to support the application of Crystal Run for its project on Route 300 in Newburgh.

Thank you for your consideration.

Best regards,

A handwritten signature in black ink, appearing to read "Alan Seidman".

Alan Seidman
Executive Director



TOWN OF NEWBURGH

1496 Route 300, Newburgh, New York 12550

WAYNE C. BOOTH
Supervisor

845-564-4552
Fax: 845-566-9486
e-mail: townsupervisor@hvc.rr.com

Robert T. Armistead
Chairman
Orange County Industrial Development Agency
4 Crotty Lane, Suite 100
New Windsor, NY 12553

Re: Crystal Run Healthcare // Newburgh project

Dear Chairman Armistead and Board Members:

Please let this letter serve to confirm our support of the Crystal Run Healthcare medical office building proposed for the site across from the Wal-Mart Plaza on NYS Route 300 in the Town of Newburgh. The facility will be approximately 65,000 square feet in size, and will employ approximately 200 jobs during construction and 237 jobs post construction with salaries ranging from \$40,000 to \$150,000.

We are excited about this project as it fits well with the Town's Interchange Business district, and will provide a significant benefit to our region's healthcare offerings.


The project appears consistent with the Town's zoning and we anticipate that the Planning Board is serving as lead agency for the SEQR review. We understand that Crystal Run Healthcare seeks to commence construction in early 2014, and that they are working diligently towards that goal.

We appreciate any assistance and incentives that the Orange County IDA may provide, including an 10 year aging PILOT agreement. Thank you for your consideration.

Sincerely,

TOWN OF NEWBURGH

By:


Wayne Booth
Supervisor

Motion By: _____
Seconded By: _____

FINAL RESOLUTION
(CRH Realty VIII, LLC Project)

A regular meeting of the Orange County Industrial Development Agency was held on February 27, 2014 at 2:00 p.m. (local time) at the offices of the Orange County Executive, 40 Matthews Street, Suite 104, Goshen, New York 10924.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of CRH Realty VIII, LLC (the "Company").

RESOLUTION AUTHORIZING THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO (i) TAKE TITLE TO OR A LEASEHOLD INTEREST IN AN APPROXIMATELY 8.1±-ACRES OF LAND LOCATED ON UNION AVENUE (NYS ROUTE 300) IN THE TOWNS OF NEWBURGH AND NEW WINDSOR, ORANGE COUNTY, NEW YORK (THE "LAND"); (II) APPOINT CRH REALTY VIII, LLC AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT AS MORE FULLY DESCRIBED BELOW; (iii) NEGOTIATE AND EXECUTE A LEASE AGREEMENT, LEASEBACK AGREEMENT AND RELATED PAYMENT-IN-LIEU-OF-TAX AGREEMENT; (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE PILOT AGREEMENT; AND (C) IF NECESSARY, A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (v) EXECUTE RELATED DOCUMENTS.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **CRH REALTY VIII, LLC** (the "Company"), for itself or on behalf of an entity to be formed (the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of (i) the acquisition by the Agency of a leasehold interest in an aggregate approximately 8.1±-acres of land located on Union Avenue (NYS Route 300) in the Towns of Newburgh and New Windsor, Orange County, New York (the "Land", being more particularly

described as TMID Nos. 97-3-6, 97-3-7, 97-3-8, 97-3-26 and 4-1-72.2), (ii) the construction on the Land of an approximately 65,000 square foot three-story building and related improvements to be used by the Company and its tenants for office and related space (the "Improvements"); and (iii) the acquisition and installation in, on and around the Improvements of certain items of equipment and other tangible personal property including, but not limited to, HVAC systems, plumbing and electrical fixtures, elevators and office furniture (collectively, the "Equipment" and, together with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on January 14, 2014, at 10:00 a.m. local time, at the Newburgh Town Hall, 1496 Route 300, Newburgh, New York 12550, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions ten (10) days prior to said Public Hearing are attached hereto as **Exhibit A**; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, constructing and equipping the Facility pursuant to an agent agreement (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement") and payment-in-lieu-of-tax agreement (the "PILOT Agreement") with the Company, (iii) take title to or a leasehold interest in the Land, the Improvements, the Equipment and personal property constituting the Project (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (iii) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a partial real property tax abatement through the PILOT Agreement, and (c) if necessary, a mortgage recording tax exemption for financing related to the Project; and

WHEREAS, on November 21, 2013, the Town of Newburgh Planning Board issued a negative declaration (the "Negative Declaration") under Article 8 of the Environmental Conservation Law and 6 N.Y.C.R.R. Part 617 (collectively referred to as "SEQRA") regarding the Project, a copy of which is attached hereto as **Exhibit B**; and

WHEREAS, the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents have been negotiated and are presented to this meeting for approval and execution.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and other correspondence submitted by the Company to the Agency, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Orange County and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(F) Based upon a review of the Application and the SEQRA review of the Project undertaken by the Town of Newburgh Planning Board (the "Planning Board"), the Agency hereby:

(i) consents to and affirms the status of the Planning Board as Lead Agency for purposes of completing a coordinated SEQRA review of the Project;

(ii) determines that the proceedings undertaken by the Planning Board as Lead Agency regarding the Project satisfied the requirements of SEQRA;

(iii) ratifies the Negative Declaration issued by the Planning Board on November 21, 2013 for the Project; and

(iv) determines that all of the provisions of SEQRA that are required to be complied with as a condition precedent to the approval of the Financial Assistance contemplated by the Agency with respect to the Project and the participation by the Agency in undertaking the Project have been satisfied.

Section 2. Subject to the Company executing the Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as

the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Agent Agreement shall expire on December 31, 2014 (unless extended for good cause by the Executive Director of the Agency) if the Lease Agreement, Leaseback Agreement and PILOT Agreement contemplated have not been executed and delivered.

Section 3. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (A) the Lease Agreement whereby the Company leases the Project to the Agency, (B) the related Leaseback Agreement conveying the Project back to the Company, and (C) the PILOT Agreement; provided, that, (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the PILOT Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 4. The Chairman, Vice Chairman and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any Lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement and PILOT Agreement are collectively referred to as, the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Executive Director of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 6. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u><i>Yea</i></u>	<u><i>Nay</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Robert T. Armistead				
Mary Ellen Rogulski				
Russell O. Vernon				
Stephen Brescia				
John Steinberg, Jr.				
Henry VanLeeuwen				
Robert J. Schreibeis, Sr.				

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned Secretary of the Orange County Industrial Development Agency, DO
HEREBY CERTIFY:

That I have compared the foregoing extract of the minutes of the meeting of the Orange
County Industrial Development Agency (the "Agency") including the resolution contained
therein, held on February 27, 2014, with the original thereof on file in my office, and that the
same is a true and correct copy of the proceedings of the Agency and of such resolution set forth
therein and of the whole of said original insofar as the same relates to the subject matters therein
referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting,
that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public
Officers Law (Open Meetings Law), said meeting was open to the general public, and that public
notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency present
throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force
and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this
_____ day of February, 2014.

Stephen Brescia, Secretary

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATE OF NEW YORK

IN THE MATTER OF
PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES

February 19, 2014
2:00 p.m.
Wallkill Town Hall
99 Tower Drive
Middletown, New York

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 OFFICE OF KEVIN T. DOWD
Attorney for IDA
46 Daisey Lane
Montgomery, New York 12549

ALSO PRESENT: James Petro, Executive Director
Orange County IDA

Laurie Villasuso, Administrative Assistant
Orange County IDA

Daniel Depew, Supervisor
Town of Wallkill

Robert Radcliffe, General Manager
Advanced Coating Technologies

Shawn Watson, Communications Manger
Advanced Coating Technologies

Mr. James Kulisek

Mark D. Fellenzer, P.E., Principal
Fellenzer Engineering, LLP

Frances Roth, RPR
Court Reporter

1 PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES

2 MR. ARMISTEAD: Welcome everybody. Please
3 stand for the Pledge of Allegiance.

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

6 MR. ARMISTEAD: Thank you everyone for being
7 in attendance. I'm Bob Armistead, Chairman of
8 the Orange County IDA. To my right is Kevin
9 Dowd, our IDA attorney, Laurie Villasuso,
10 Administrative Assistant for the Orange County
11 IDA, James Petro is our Executive Director and
12 Fran is our recorder. And we're here to have the
13 public hearing on the Pratt & Whitney Advanced
14 Coating Technologies project. And I'd ask the
15 attorney to read the Notice of Public Hearing.

16 MR. DOWD: Thank you, Mr. Chairman. Notice
17 is hereby given that a public hearing pursuant to
18 Article 19-A of the New York General Municipal
19 Law will be held by the Orange County Industrial
20 Development Agency on Wednesday, February 19,
21 2014, at 2:00 p.m. local time, at the Wallkill
22 Town Hall, 99 Tower Drive, Middletown, New York
23 10941 in connection with the following matter.
24 PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES,
25 for itself or on behalf of an entity to be

1 PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES

2 formed, has submitted an application to the
3 Agency requesting the Agency's assistance with a
4 certain project consisting of (i) the acquisition
5 by the Agency of a leasehold interest in an
6 approximately five plus or minus acre parcel of
7 land located at 225 Tower Drive in the Town of
8 Wallkill, Orange County, New York, together with
9 the existing approximately 71,500 square foot
10 vacant warehouse situate thereon; (ii) the
11 renovation of the Existing Improvements into
12 approximately 7,000 square feet of office space
13 and approximately 64,500 square feet will be used
14 as a ceramic thermal barrier coating plant for
15 jet engine airfoils; and (iii) the acquisition
16 and installation in, on and around the
17 Improvements of certain items of equipment and
18 other tangible personal property including, but
19 not limited to state of the art thermal barrier
20 coating equipment, HVAC, generators, transformer
21 pad, process gas pads and information technology
22 equipment. The Agency will acquire a leasehold
23 interest in the Facility and lease the Facility
24 back to the Company. The Company will operate
25 the Facility during the term of the lease. At

1 PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES

2 the end of the lease term, the Agency's leasehold
3 interest will be terminated. The Agency
4 contemplates that it will provide financial
5 assistance to the Company in the form of sales
6 and use tax exemptions, a mortgage recording tax
7 exemption and a real property tax abatement, all
8 consistent with the policies of the Agency. A
9 representative of the Agency will be at the
10 above-stated time and please to present a copy of
11 the Company's Project Application and hear and
12 accept written and oral comments from all persons
13 with views in favor of or opposed to or otherwise
14 relevant to the proposed Financial Assistance.

15 Dated February 4, 2014 by Orange County
16 Industrial Development Agency. And just for the
17 record, Mr. Chairman, I want to make sure that
18 it's understood that even though the notice talks
19 about a real property tax abatement, that is not
20 what we're here for today. We have deferred to
21 the recommendation of the IDA of the Town of
22 Wallkill that we would not approve a real
23 property tax abatement. So what we're really
24 here for is the sales tax exemptions and the
25 mortgage recording tax exemptions.

1 PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES

2 MR. ARMISTEAD: Thank you, Kevin. We have
3 representatives from Pratt & Whitney here. We
4 also have the Honorable Town Supervisor, Dan
5 Depew. And we don't have a big turnout but I
6 will ask if anybody has any questions for the
7 applicant? And if you do, if you'd stand and
8 state your name. Any questions?

9 SUPERVISOR DEPEW: As the Supervisor of the
10 Town, I'm also the Acting Chairman of the Town of
11 Wallkill IDA. We have often deferred to you guys
12 because you do a wonderful job of delivering
13 economic incentives to great businesses in our
14 community as we grow. We fully support the
15 project. The entities that have been here
16 already, Advanced Coating Technologies,
17 Chromalloy, Meyer Tool are really growing
18 tremendously in the aerospace industry in the
19 Town of Wallkill, which is probably second to
20 none in the county. We want to continue to grow
21 in this fashion. We fully support the tax
22 exemption, mortgage tax exemptions and things of
23 that nature for this particular project. And
24 anything that you can do to make sure that that
25 happens promptly would I believe be appreciated

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2 by all entities. The reason why the IDA of
3 Wallkill made a decision not to really support or
4 go for a property tax exemption at this time is
5 it's an existing building that's paying taxes to
6 the school district, it's paying taxes to the
7 town, paying taxes to the county and in its
8 current status we figured, and it's a great
9 building, it's not a building that's a wreck in
10 any way, shape or form, and we know that it's a
11 wonderful campus. So at this time, we made the
12 decision that we move forward in some regards but
13 not others but just wanted to clarify that
14 because I think we have representatives of
15 different entities here. I think they'd
16 appreciate it too that that's what our board
17 suggested. And I thank you for your time.

18 MR. ARMISTEAD: Thank you, Dan. Very good.
19 Anybody else?

20 MS. MC KEAN: Yes, I came primarily as a
21 representative for the Middletown City School
22 District.

23 MR. DOWD: Your name?

24 MS. MC KEAN: Elizabeth McKean. Thank you.
25 I'm the Assistant Superintendent for

1 PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES

2 Administration for Middletown City School
3 District and you'll probably continue to see me
4 and my brethren in like positions because we all
5 understand the concepts of PILOTS and understand
6 the reasons for them being and generally support
7 them because they provide growth in our
8 communities. However, the legislation that put a
9 tax cap in effect also puts into effect the fact
10 that these PILOTS are now a part of that
11 calculation so you will be seeing more of us.

12 MR. ARMISTEAD: Thank you. And we do see
13 your counterparts in our communities around the
14 county. And we appreciate your input, thank you.

15 MR. FELLEZZER: My name is Mark Fellenzer,
16 I'm a local run local engineering firm and I'm
17 here to say I'm in support of the PILOT project.
18 I think that having high technology industries in
19 our area will help support the students as they
20 graduate high school and choose careers, go on to
21 college. I am involved heavily with the
22 education of young men and women as part of the
23 engineering community and these high tech
24 businesses really help give the students the
25 opportunity to see future careers that they can

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2 be involved in. So I commend the IDA both local
3 and county in support of these industries. I
4 will also say as a footnote Chromalloy, Meyer, et
5 cetera have been very supportive of hiring
6 locally. And I'm sure they will continue that.

7 MR. ARMISTEAD: Thank you, Mark. Any other
8 questions, comments from the public? This was a
9 short meeting.

10 MR. PETRO: Back to the board cause I have a
11 question.

12 MR. ARMISTEAD: Jim?

13 MR. PETRO: Dan, I notice they are not
14 asking for PILOT on the property and you
15 mentioned because it's an existing building and
16 so forth. And that's 100 percent correct, the
17 IDA in no way can we do anything that's existing
18 because the school board would be upset you're
19 taking it away, we don't do that. But they are
20 doing \$33,600,000 in renovations to the existing
21 building, that certainly qualifies for at least,
22 at least a 485-b, which nobody can say yes or no
23 to, you get a one page form in the tax assessor's
24 office that starts at 50 percent up five percent
25 a year for 10 years that will save 27.5 percent

1 PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES

2 on the taxes. Why are they not asking for that?

3 SUPERVISOR DEPEW: The 485-b would apply to
4 the building itself, the actual structure of the
5 building itself and the assessed value of that
6 building. Most of the things that Pratt is doing
7 to the building are not structural in nature.
8 However, they are equipment that's being put into
9 the building. So they are doing some maybe
10 electrical upgrades to handle the equipment or
11 they're moving some walls, things like that to
12 accommodate the equipment. So it doesn't really
13 require any increased assessed value of their
14 building beyond what it is now because everything
15 that they're doing to it is really just equipment
16 that they're going to utilize and we don't tax
17 the equipment in the building or assessment's not
18 going to change. That's another reason why, they
19 are going to do a small add-on to the building of
20 I think 5,000 square feet or something like that
21 and when you look in the big picture certainly
22 they would apply for the 485-b on that increase
23 to the building. But when you look at the big
24 picture of everything there with the assessment,
25 really nothing to change, it just wasn't worth--

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2 MR. PETRO: That explains it. Just says
3 renovation of \$33.6 million.

4 SUPERVISOR DEPEW: I didn't fill out the
5 application but that's the logic behind it.

6 MR. ARMISTEAD: It's no different than of
7 course we all understand no different they're
8 bringing a process, building a process that they
9 can take after if they wanted to take it out and
10 move it someplace else they could do that.

11 SUPERVISOR DEPEW: The only thing I would
12 say as an addendum to Jim's thoughts there may be
13 circumstances where the IDA in Wallkill or the
14 IDA at the county level would look at the
15 building that's in a blighted area where they
16 want to bring industry and jobs back to, and the
17 building's just not going to be repaired, it's
18 not going to be fixed, it's not going to be used
19 and corrected without some type of tax incentive
20 for an existing building. And we've had a couple
21 areas like that in the town. So maybe they're
22 paying cause it's an existing building peanuts
23 because it's a wreck, it's a sham of a building
24 and to give them a PILOT to clean up the area and
25 fix the building is worth it. And the school

1 PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES

2 district, I don't want to speak for them because
3 they have some really great representation here
4 and otherwise, but I think that everybody
5 understands the value of cleaning up blighted
6 areas. I don't think you can make the case that
7 the Tower Drive strip and Procetto's (phonetic)
8 building which is now Pratt's building is a
9 blighted building in any way, shape or form.
10 It's some of the nicest commercial property in
11 the county, I think so.

12 MR. ARMISTEAD: We do appreciate what Pratt
13 & Whitney is doing creating this project and
14 bringing more jobs to the area, local jobs and we
15 are, you have the full support of the IDA board.
16 Of course we take it back after this public
17 hearing and we, I guess it will be on our agenda
18 at the next board meeting. So with that said, if
19 there's nothing else, we wish you luck with the
20 project, assuming that everything goes forward
21 next week, and we thank you for all your
22 attendance today. Okay, thank you.
23 (Proceedings concluded at 2:15 p.m.)

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C-E-R-T-I-F-I-C-A-T-I-O-N

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

That the foregoing is an accurate record of the testimony,
as given, to the best of my knowledge and belief, the same
having been stenographically recorded by me and transcribed
under my supervision.

That I am not related to any of the parties involved in
this matter, and that I have no personal interest
whatsoever in the outcome thereof.

FRANCES ROTH

Motion By: _____
Seconded By: _____

FINAL RESOLUTION
(Pratt & Whitney Advanced Coating Technologies Project)

A regular meeting of the Orange County Industrial Development Agency was held on February 27, 2014 at 2:00 p.m. (local time) at the offices of the Orange County Executive, 40 Matthews Street, Suite 104, Goshen, New York 10924.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Pratt & Whitney Advanced Coating Technologies (the "Company").

RESOLUTION AUTHORIZING THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO (i) TAKE TITLE TO OR A LEASEHOLD INTEREST IN AN APPROXIMATELY 5±-ACRE PARCEL OF LAND LOCATED AT 225 TOWER DRIVE IN THE TOWN OF WALLKILL, ORANGE COUNTY, NEW YORK (THE "LAND"); (ii) APPOINT THE COMPANY AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT AS MORE FULLY DESCRIBED BELOW; (iii) NEGOTIATE AND EXECUTE A LEASE AGREEMENT AND LEASEBACK AGREEMENT; (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, RENOVATION AND EQUIPPING OF THE PROJECT; AND (B) IF NECESSARY, A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (v) EXECUTE RELATED DOCUMENTS.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing, renovating and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **PRATT & WHITNEY ADVANCED COATING TECHNOLOGIES** (the "Company"), for itself or on behalf of an entity to be formed (the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of: (i) the acquisition by the Agency of a leasehold interest in an approximately 5±-acre parcel of land located at 225 Tower Drive in the Town of Wallkill, Orange County, New York (more particularly described as TMID No. 40-1-56.221) (the "Land"), together with the existing approximately 71,500 square-foot vacant warehouse situate thereon (the "Existing Improvements"); (ii) the renovation of the Existing

Improvements to accommodate approximately 7,000 square feet of office space and approximately 64,500 square feet will be used as a ceramic thermal barrier coating plant for jet engine airfoils (collectively, the "Improvements"); and (iii) the acquisition and installation in, on and around the Improvements of certain items of equipment and other tangible personal property including, but not limited to state-of-the-art thermal barrier coating equipment, HVAC, generators, transformer pad, process gas pads and information technology equipment (collectively, the "Equipment" and, together with the Land, the Existing Improvements and the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on February 19, 2014, at 2:00 p.m. local time, at the Wallkill Town Hall, 99 Tower Drive, Middletown, New York 10941, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions ten (10) days prior to said Public Hearing are attached hereto as **Exhibit A**; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, renovating and equipping the Facility pursuant to an agent agreement (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement") and leaseback agreement (the "Leaseback Agreement") with the Company, (iii) take title to or a leasehold interest in the Land, the Improvements, the Equipment and personal property constituting the Project (once the Lease Agreement and Leaseback Agreement have been negotiated), and (iii) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, renovation and equipping of the Project and (b) if necessary, a mortgage recording tax exemption for financing related to the Project; and

WHEREAS, the Lease Agreement, Leaseback Agreement and related documents have been negotiated and are presented to this meeting for approval and execution.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and other correspondence submitted by the Company to the Agency, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of undertaking the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Orange County and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(F) The Project involves a "Type II Action" as said term is defined in Article 8 of the Environmental Conservation Law and Regulations adopted pursuant thereto by the Department of Environmental Conservation of the State (collectively, "SEQR") and therefore no further action is required under SEQR.

Section 2. Subject to the Company executing the Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the undertaking of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to undertake the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Agent Agreement shall expire on December 31, 2014 (unless extended for good cause by the Executive Director of the Agency) if the Lease Agreement and Leaseback Agreement contemplated have not been executed and delivered.

Section 3. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (A) the Lease Agreement whereby the Company leases the Project to the Agency and (B) the related Leaseback Agreement conveying the Project back to the Company; provided, that the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project.

Section 4. The Chairman, Vice Chairman and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably contemplated by these resolutions or required by any Lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement and Leaseback Agreement are collectively referred to as, the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency (if any) to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Executive Director of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 5. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 6. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<i><u>Yea</u></i>	<i><u>Nay</u></i>	<i><u>Absent</u></i>	<i><u>Abstain</u></i>
Robert T. Armistead				
Mary Ellen Rogulski				
Russell O. Vernon				
Stephen Brescia				
John Steinberg, Jr.				
Henry VanLeeuwen				
Robert J. Schreibeis, Sr.				

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned Secretary of the Orange County Industrial Development Agency, DO
HEREBY CERTIFY:

That I have compared the foregoing extract of the minutes of the meeting of the Orange
County Industrial Development Agency (the "Agency") including the resolution contained
therein, held on February 27, 2014, with the original thereof on file in my office, and that the
same is a true and correct copy of the proceedings of the Agency and of such resolution set forth
therein and of the whole of said original insofar as the same relates to the subject matters therein
referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting,
that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public
Officers Law (Open Meetings Law), said meeting was open to the general public, and that public
notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency present
throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force
and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this
_____ day of February, 2014.

Stephen Brescia, Secretary

Exhibit A

Notice Documents & Minutes of Public Hearing

[See Attached]

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
ORANGE COUNTY FUNDING CORPORATION

-----x

IN THE MATTER OF

CNW REAL ESTATE, LLC

-----x

Orange County Business Accelerator
4 Crotty Lane
New Windsor, New York
December 30, 2013
10:00 A.M.

B E F O R E: ROBERT ARMISTEAD, CHAIRMAN
ORANGE COUNTY IDA and
ORANGE COUNTY FUNDING CORPORATION

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 OFFICE OF KEVIN T. DOWD
Attorney for Orange County IDA and
Orange County Funding Corporation
46 Daisy Lane
Montgomery, New York 12549

JACOBOWITZ & GUBITS, LLP
Attorney for CNW REAL ESTATE, LLC
158 Orange Avenue
P.O. Box 367
Walden, New York 12586

BY: DAVID B. GUBITS, ESQ.

Also Present: James Petro
Mr. and Mrs. Fred Straub
Laurie Villasuso,
Executive Administrator
Orange County IDA

1 CNW REAL ESTATE, LLC

2 MR. ARMISTEAD: Please stand for the Pledge
3 of Allegiance.

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

6 MR. ARMISTEAD: Good morning everyone,
7 welcome. We're here for public hearing on the
8 proposed issuance of bonds and I will turn over
9 the formal reading to our attorney, Mr. Kevin
10 Dowd. Before I start though, people present are
11 myself, Robert Armistead, Chairman of the IDA,
12 our attorney, Kevin Dowd for the IDA, our
13 Executive Administrative Assistant, Laurie
14 Villasuso to Kevin's left. And Kevin, would you
15 read the public notice?

16 MR. DOWD: Notice is hereby given that a
17 joint public hearing pursuant to Article 19-A of
18 the New York General Municipal Law and Section
19 147(f) of the Internal Revenue Code of 1986 as
20 amended will be held by the Orange County
21 Industrial Development Agency and the Orange
22 County Funding Corporation on Monday, December
23 30, 2013, at 10:00 a.m. at the Agency's/Issuer's
24 offices located at the Orange County Business
25 Accelerator, 4 Crotty Lane, Suite 100, New

1 CNW REAL ESTATE, LLC

2 Windsor, New York 12553, in connection with the
3 following matter: CNW Real Estate LLC, a New
4 York limited liability company, for itself or an
5 entity formed or to be formed has submitted
6 applications to the Agency and the Issuer, copies
7 of which are on file at the offices of the
8 Agency/Issuer, requesting that the Agency/Issuer
9 consider undertaking a project for the benefit of
10 the Company consisting of: (A) the acquisition
11 by the Company of title to or other interest in
12 an aggregate approximately 6.80 acre parcel of
13 land located at 139 Windsor Highway in the Town
14 of New Windsor, Orange County, New York; (B) (i)
15 the demolition of the approximately 900 square
16 foot building, putting greens, miniature golf and
17 batting cages currently existing on the Land and
18 (ii) the construction on the Land of an
19 approximately 117,325 square foot assisted living
20 residence for persons in need of assistance with
21 daily living and persons in need of memory care
22 through a special therapeutic program and shall
23 include, but not be limited to, 133 residential
24 living units, common areas for exercise, group
25 and individual activities, a salon/barber shop

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2 and a library, together with supportive areas and
3 office/operation space; (C) the acquisition and
4 installation in and around the Improvements of
5 certain machinery, appliances, equipment and
6 other items of tangible personal property
7 including, but not limited to, beds, tables,
8 sofas, lamps, exercise equipment, activity
9 supplies, kitchen equipment, linens and an
10 on-site vehicle to provide residents
11 transportation to doctors' appointments and
12 collectively with the Land and the Improvements;
13 (D) the paying of certain costs and expenses
14 incidental to the issuance of the Bonds as
15 defined below, the costs associated with items
16 (A) through (D) above being hereinafter referred
17 to as the "Project Costs"; (E) the financing of
18 all or a portion of the costs of the foregoing by
19 the issuance of its multi-family housing revenue
20 bonds in one or more series in a maximum
21 aggregate principal amount of \$33,00,000; and (F)
22 the lease or sale of the Issuer's interest in the
23 Facility back to the Company. The Issuer and
24 Agency are contemplating providing financial
25 assistance to the Company with respect to the

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2 Project in the form of: (1) the issuance of
3 multi-family housing revenue bonds in a principal
4 amount not to exceed the lesser of the Project
5 Costs or \$33,000,000 or, alternatively, through a
6 straight-lease transaction, pursuant to which the
7 Agency will take and hold title to a leasehold
8 interest in the Facility for a period of time and
9 sell or sublease such leasehold interest in the
10 Facility back to the Company, (2) an exemption
11 from all state and local sales and use taxes with
12 respect to the qualifying personal property
13 incorporated into the Facility or used in the
14 acquisition, construction and equipping of the
15 Facility; (3) an exemption from all mortgage
16 recording taxes imposed by the State of New York
17 with respect to any qualifying mortgage on the
18 Facility to secure the Bonds and/or any other
19 indebtedness incurred by or for the benefit of
20 the Company in connection with the Project; and
21 (4) a partial real property tax abatement through
22 the execution of an agreement with the Agency
23 regarding payments in lieu of real property taxes
24 to be made to each municipality and school
25 district having taxing jurisdiction over the

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1 Facility. If the issuance of the Bonds is
2 approved by the Issuer and the Agency, the Issuer
3 and/or the Agency will acquire and retain title
4 to the Facility and lease or sell the Facility or
5 such interest therein to the Company pursuant to
6 a lease agreement or installment sale agreement
7 and the Company will operate and manage the
8 Facility during the term of the Agreement. At
9 the end of the term of the Agreement, the Company
10 will reacquire the Facility from the Issuer
11 and/or the Agency. If the issuance of the Bonds
12 is approved (i) it is intended that interest on
13 any tax-exempt Bonds will be excluded from gross
14 income for Federal income tax purposes, pursuant
15 to Section 103(a) of the Code, (ii) the Agreement
16 shall require the Company to make payments equal
17 to debt service on the Bonds and make certain
18 other payments, and (iii) the Bonds will be
19 special obligations of the Issuer payable solely
20 from certain of the proceeds of the Agreement and
21 certain other assets of the Issuer pledged to the
22 repayment of the Bonds. The Bonds shall not be
23 a debt of the State of New York or Orange County,
24 New York and neither the State of New York nor
25

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2 Orange County, New York shall be liable thereon.
3 The Issuer and the Agency will at said time and
4 place provide a reasonable opportunity to all
5 interested persons to present their views, either
6 orally or in writing, on the location and nature
7 of the Facility, the proposed plan of financing
8 for the Facility by the Issuance from time to
9 time of the Bonds, or the proposed tax benefits
10 to be afforded the Company in connection with the
11 Project. This public hearing is being conducted
12 in accordance with Section 147(f) of the Code and
13 subdivision 2 of Section 859-a of the New York
14 General Municipal Law. Dated: December 12,
15 2013, Orange County Industrial Development
16 Agency, Orange County Funding Corporation.

17 MR. ARMISTEAD: Thank you. I don't know if
18 there's anybody here from the public but if there
19 are any questions or the representative wants to
20 say anything for the public.

21 MR. STRAUB: The only thing I'd like to
22 state is that we now have final approval, we've
23 got all of our SEQRA done, the package is totally
24 approved. We're looking forward to moving
25 forward with the project. We're trying to get a

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2 date of somewhere around April. And obviously
3 for us to go forward, we need the endorsement
4 letter from the OCIDA in order to get our
5 financing. So the inducement letter starts
6 everything out with our financing and then we
7 plan on closing, we're told we'll close in 90 to
8 120 days.

9 MR. ARMISTEAD: Great.

10 MR. PETRO: Mr. Chairman, I have as I just
11 mentioned in the other room, I have the negative
12 declaration from the planning board that your
13 attorney's seeking for this application and for
14 the others. So I'll bring them over either later
15 today or tomorrow. They're in letter form.

16 MR. ARMISTEAD: We also, for the record, we
17 have the letter dated December 16 from the Office
18 of the Town Supervisor, George A. Green. I'll
19 read it for the record. Attention Robert
20 Armistead, Orange County Industrial Development
21 Agency, reference Crestmoore at New Windsor
22 Assisted Living Facility. Dear Chairman
23 Armistead: The Town of New Windsor fully
24 supports the building of the Crestmoore at New
25 Windsor Assisted Living Facility at 139 Windsor

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2 Highway in the Town of New Windsor. The
3 development of this project will promote economic
4 development and job creation within the county.
5 This facility will also fulfill a need for the
6 elderly that is not being met within the Hudson
7 Valley. It is our hope that the Orange County
8 Industrial Development Agency will look to
9 provide the requested financial incentives to
10 permit this project to move forward. Very truly
11 yours, George A. Green, Town Supervisor. Okay,
12 if there's no further questions or comments, I
13 guess we can call the public hearing to
14 conclusion. Thank you all for attending.

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17 (Proceedings concluded at 10:10 a.m.)

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C-E-R-T-I-F-I-C-A-T-I-O-N

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

That the foregoing is an accurate record of the testimony,
as given, to the best of my knowledge and belief, the same
having been stenographically recorded by me and transcribed
under my supervision.

That I am not related to any of the parties involved in
this matter, and that I have no personal interest
whatsoever in the outcome thereof.

FRANCES ROTH

Kevin T. Dowd, Esq.
46 Daisy Lane
Montgomery, New York 12549

Telephone/Facsimile (845) 778-5442

February 10, 2014

John F. Stack
Slate Hill Associates, Inc.
2865 Route 6
Slate Hill, NY 10973

RE: Orange County IDA PILOT Agreement - Default

Dear Mr. Stack:

I am the attorney for the Orange County Industrial Development Agency and I am contacting you regarding the terms and conditions of the Payment In Lieu of Tax Agreement dated as of July 1, 2008. According to Section 1.1.B, you are obligated to pay annually the County of Orange, the Town of Wawayanda and the Minisink Valley Central School District their corresponding payment in lieu of taxes. It is my understanding that you have never made a payment to the School District and that you are now in arrears with the County and the Town. Your failure to pay these affected taxing jurisdictions constitutes an Event of Default pursuant to Section VI of the PILOT Agreement.

In order to avoid the legal and economic repercussions of your continued default, I strongly urge you to give this matter your utmost attention and to make the delinquent payments immediately.

Very truly yours,

KEVIN T. DOWD
Attorney for the IDA

cc. IDA Board
John McCarey
Minisink Valley CSD
Scott Bonacic, Esq.

Meet jobs pledge or lose tax breaks?

Orange IDA mulls stricter tax break rules

BY JAMES WALSH

Times Herald-Record

Mandating that businesses provide the number of jobs they promised or lose their tax breaks could become standard operating procedure for the Orange County Industrial Development Agency.

The Sullivan and Ulster IDAs already have such provisions specified in contracts with prospective seekers of property, sales and mortgage tax abatements. The Orange County IDA's executive director, James Petro, said the agency is considering imposing that condition. One question, Petro said, was deciding where to place the breaking point.

"It's hard for a company to project exactly what they're going to have," Petro said. "Economic conditions change. ...Amy's Kitchen says they're going to bring about 600 jobs. If they bring 500, are we going to get mad?"

Sullivan County's policy provides an answer. "If they say they'll hire 100 people, but only hire 75, they get just 75 percent of the benefit," Sullivan County IDA executive director, Jennifer Brylinski, said. "And we don't have to chase after them. It's in our agreement."

Sullivan's policy statement provides that if a company fails to meet its intended goals, the IDA can "recapture" the value of any or all exemptions from taxation.

Sullivan cracks down

In an audit of the Sullivan County IDA last year, the state Comptroller's Office found the agency held project owners to their obligations. In a review of five PILOT (payment-in-lieu-of-taxes) agreements requiring job creation or retention, adjustments made by the IDA reduced benefits to companies lagging in job production by about \$230,000.

"These adjustments reflect an active monitoring and management process that the Sullivan County IDA performs to protect the interests of the local municipalities where the PILOT projects are located," the audit stated.

Ulster has policy too

The Ulster County IDA made accuracy-in-job-creation a requirement several years ago, Chairman Michael Horodyski said. It attempted last year to enforce the requirement on a company that created nine jobs instead of a projected 37. Skate Time 209's payment-in-lieu-of-taxes agreement, though, predated the jobs provision.

"We messed up the first time by not having that requirement," Horodyski said.

Ulster's policy states "an active economic development project for which less than 80 percent of the projected jobs have been retained and/or created after three years from closing will be subject to review and possible enforcement action."

That can mean terminating all or some financial assistance provided by the IDA, including any sales and property tax exemptions.

To ensure compliance, the Ulster IDA's policy requires it to monitor "every active project site at least every two years."

Now Orange?

Orange County IDA's application for financial assistance tells applicants the agency requires annual reports on the number of employees. There's no mention, though, of a penalty if the projected numbers aren't achieved.

Petro said he expects the IDA board to review the matter soon. He couldn't recall a company that fell far short of its projected employment. He cited others that lived up to their promises and more. They included Mediacom in Blooming Grove and President Container in the Town of Walkill.

"Continental Organics (in New Windsor) told us about 25 jobs, and they have about 47, so it can go the other way," Petro said. "What are we going to do, give them more incentives?"

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The Orange County IDA, shown meeting Jan. 15 in New Windsor, uses tax breaks as vehicles to grow business in the county. At this session, the IDA voted to accept an application from Amy's Kitchen to build a plant in the Town of Goshen. Amy's is seeking a variety of tax exemptions.

Alyse Pulliam/For the Times Herald-Record

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EDITORIAL

Create all the jobs to avoid the taxes

The Orange County Industrial Development Agency is considering a change in policies concerning tax breaks companies receive should they not create the number of jobs they promised or fail to meet other conditions.

Many will be surprised to learn that such requirements were not already part of the IDA operations. After all, companies come to the IDA to enter into a contract that is mutually beneficial. The company gets to pay less in taxes, usually several millions of dollars less in many forms of taxation, in return for bringing jobs to the community. If a town or village decided to make the company pay some of the taxes despite the agreement, you can be sure that there would be loud complaints. So it is only fair that the same rules apply on the other side of the table if the company fails to create and sustain the jobs.

In fact, now that the IDA in Orange County has raised the issue, the question should not be if the policy needs to be implemented but should the board fail to act at its next meeting, why it has not.

Accompanying this is the question of how to measure a company's compliance and how to make that information available to the public whose interests the IDA serves.

Companies coming in for tax breaks keep track of their spending and hiring. They could not stay in business if they did not. So it would be easy for them to provide a certified scorecard, say a quarterly report tabulating the taxes they were able to avoid and the jobs they have created. They already give this information to their CEOs and board members. With some tax breaks worth tens of millions of dollars, taxpayers effectively hold a large stake in many companies and deserve to receive the same information. The IDA should not be entering into these agreements if it is not working to share all the numbers.

Then comes the most important part, the penalty for noncompliance. A simple approach would use percentages. If a company gets \$10 million in tax breaks but creates only half of the jobs that it promised, then it should pay back half the taxes. Imposing deadlines for job creation with these sorts of incentives should make sure that companies do everything they can to live up to their end of the bargain.

Not everybody sees it this way. James Petro, the Orange IDA executive director, said "It's hard for a company to project exactly what they're going to have ... Economic conditions change. ... Amy's Kitchen says they're going to bring about 600 jobs. If they bring 500, are we going to get mad?"

No, but we should get what we pay for, which is what good business practices would seem to require with no questions asked.

And his question raises another question. Whom does he work for? The companies coming in to the IDA bring their representation with them. They have lawyers and accountants to make their case and watch their backs.

Taxpayers need to have matching representation at the table, starting with the executive director and including all board members.

IDA OKs \$500K for food plant

Goshen in running for Amy's site

BY JESSICA DINAPOLI

Times Herald-Record **NEW WINDSOR** — The Orange County Industrial Development Agency on Thursday approved giving \$500,000 to Amy's Kitchen for infrastructure work at the 200-acre site in Goshen the company has selected as a possible location for a natural-food manufacturing plant.

The money from the IDA piggybacks on \$800,000 New York state plans to give Amy's Kitchen for infrastructure work, including modifications of an intersection on Route 17M and other roadwork, according to a letter the company sent the IDA last week. Amy's announced last month that it would employ 681 people in a 350,000- to 500,000-square-foot natural foods manufacturing plant it proposes to build in the Town of Goshen.

Other sites

The California company has been considering other sites, but the \$500,000 helps Amy's advance in Orange County, said IDA Chairman Robert Armistead.

IDA Executive Director James Petro said after the meeting that Amy's asked the IDA to cancel a public hearing that had been scheduled several weeks ago because the process of building the plant was moving too fast and they were still considering other sites.

Tax, payback plans

Now that the IDA has moved forward with the funding, it plans to set a public hearing for the other benefits Amy's has requested, including a \$4.5 million property tax abatement, \$420,000 in mortgage tax exemptions and \$6.5 million in sales and use tax exemptions.

The resolution the IDA passed Thursday states that Amy's would have to payback the \$500,000 if it ends up not coming to Goshen. Armistead said Amy's would not start the infrastructure work until it decides for sure to build the \$95 million plant in Goshen. Additionally, the money will be paid to vendors completing the work. It will not be given directly to Amy's itself, Petro said.

County Executive Steve Neuhaus, who attended Thursday's special meeting, said the money would ensure Amy's lands in Goshen.

"What you guys did today makes it a done deal," Neuhaus said.

Neuhaus said after the meeting that he was confident the other sites Amy's was considering would be crossed off their list by Thursday afternoon.

IDA board member John Steinberg said the positive aspects of the Amy's project were sufficient justification for the board "to stick its neck out" with the \$500,000. Goshen Supervisor Doug Bloomfield said the family-owned company treats its employees well, and Neuhaus added that the project will help local farmers.

Labor force

Representatives from local labor groups attended the meeting to ask about whether or not the IDA will require that Amy's use tradespeople from the Hudson Valley to build the plant. The IDA's Governance Committee has been working on a local labor policy, but it is unclear if it will be in place before the Amy's project is approved, Armistead said.

"We will be emphatic they use local labor," Armistead said.

Todd Diorio, the president of the Hudson Valley Building & Construction Trades Council, said he doesn't want to see Amy's grandfathered into the IDA's current local labor policy. He added that he has emailed and written letters to Amy's, but hasn't heard back.

"If this goes bad, we will be on the street yelling," Diorio said.

jdinapoli@th-record.com

"What you guys did today makes it a done deal."

STEVE NEUHAUS

County executive



The money helps Amy's advance in Orange County, said IDA Chairman Robert Armistead, who spoke on Thursday about the funding and potential tax breaks during a meeting in Goshen.

STEVE BORLAND/ Times Herald-Record