

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

March 22, 2006

A regular meeting of the Orange County Industrial Development Agency was convened in public session on March 22, 2006 at 3:00 P.M. at the County Government Center, Goshen, in Orange County, New York.

The meeting was called to order by the Chairman, David MacFarland, and upon roll being called, the following were

PRESENT: David MacFarland, John Steinberg, Stephen Brescia, John Borland

ABSENT: Robert Armistead, Henry Van Leeuwen, Daniel Coleman

ALSO PRESENT: William Trimble – Administrator Director  
Edda Eller, Recording Secretary  
Phil Crotty - Attorney  
Michael Levensohn – Times Herald-Record  
Maureen Halahan – Orange County Partnership  
Robert Hannan – Orange County Capital Development Corp.  
Richard O’Beirne, Lee Browning – Airport Properties  
Brian Leentjes – The Castle Fun Center  
Charlie Schachter – Harris Beach  
David Church, Philip Gottwals – Orange County Planning  
Donald Green – Orange County Community College

Opening the meeting, Chairman David MacFarland asked for a motion to approve January 18, 2006 minutes. Stephen Brescia made a motion to approve minutes and John Borland seconded motion. Minutes of January 18th approved by all members present.

Treasurer’s report for January and February 2006 was presented. Treasurer’s report approved by all members present as submitted.

In the absence of Treasurer Henry Van Leeuwen, a summary of receivables, voucher and payments (see attached) was presented by Edda Eller. Stephen Brescia made a motion seconded by John Steinberg to approve vouchers for payment with the exception of two vouchers placed on hold. Motion approved by all members present.

Donald Green of Orange County Community College updated members on the initial usage of Grant Funding for the Upgrade and Expansion of the SUNY Orange Center for Business Training & Professional Development as follows: Initial Business Partnership Development Project – Institute for Health Care Providers \$7,000, Business Solutions Coordinator Position – IDA contribution \$38,246, Lab Upgrades – 3 dedicated labs – P/C upgrades (all BTPD staff members – State of the art software installation (all labs and P/C’s) \$19,248, additional dedicated classrooms for BTPD Department (3) and Upgrade of 2 existing dedicated classrooms \$22,000. From a total 2005-2006 allocation of \$237,603 a year to date expenditure is \$185,182 leaving a balance of \$53,421 of which \$22,000 is allocated for Product and Program Development leaving an available balance of \$30,421.

Recognized was Maureen Halahan of the Orange County Partnership, updating members regarding business retention/expansion and business attraction activities. Year-to-date there are 4 closed attractions, pending are 16 manufacturing, 2 office, 8 distribution and 6 of tourism destination/service. Many site tours have taken place including Tarkett and 3 new projects in the lease/purchase negotiation stage. Members thanked Maureen for the report.

Members were informed that a public hearing took place for the Orange County Choppers. Everything is in order and sent to Bond Counsel.

William Trimble met with the County Executive regarding the PILOT Program and will present outcome at the May Board meeting.

Phil Crotty drafted a second request letter for the acquisition of 400 acres. He is working with ESDC and DOT to make a deal. A meeting is set for March 31, 2006. Need to arrive at a final agreement or it will be lost.

Members were informed that the final budget agreed on is in order.

Phil Crotty updated members regarding Breonics. All parties are for a peaceful repossession. The turnover of the equipment would involve an appraisal as a basis for sale to satisfy the outstanding debt.

Recognized was David Church, Project Manager of the Orange County Agricultural Industry, passing out a report on Economic Trends and Impacts of the Agriculture Industry in Orange County. Philip Gottwals talked about production of agriculture and for the IDA to see output of agriculture and opportunities for Dairy Farms. They are talking to some interested companies and will bring them to future IDA meetings.

Presented was a resolution approving annual agreement with Orange County Capital Development Corp. for operating funds for 2006 in the amount of \$150,000. Stephen Brescia made a motion seconded by John Borland to approve resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a resolution approving \$25,000 for operating expenses with Newburgh-Stewart Empire Zone for 2006. The IDA finds the request consistent with the IDA purpose of encouraging economic development in Orange County. John Borland made a motion seconded by Stephen Brescia to approve resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a resolution approving a request of the Orange County Foreign Trade Zone for \$25,000 operating expenses for 2006. John Borland made a motion seconded by John Steinberg to approve request to be used solely for economic development and international trade in Orange County. Affirmative votes of all members present resulted in motion carried.

Presented was an Inducement Resolution pertaining to a proposed project for the benefit of Airport Properties II, LLC. The Airport Properties II, LLC's application was accepted by the Agency at their November 16, 2005 meeting for financial assistance in the approximate amount of \$17,000,000 and authorized the Agency to hold a public hearing. Stephen Brescia made a motion seconded by John Steinberg approving the financial assistance and authorizing the negotiation and execution and delivery of the sale agreement and related documents. Affirmative votes of all members present resulted in motion carried.

Presented was an Inducement Resolution accepting the application of Leentjes Amusement Corp. (D/B/A The Castle Fun Center) describing the forms of financial assistance and authorizing a public hearing. The submitted application requested the Agency's assistance with a certain project consisting of the acquisition by the Agency of a leasehold or other interest in a parcel of land located at 109-115 Brookside Avenue, Chester, Orange County, New York and any existing improvements consisting principally of two 18-hole mini-golf courses, go-kart track, climbing wall, arcade, batting cages and related improvements. The construction by the Company on the land of one or more buildings to accommodate a roller skating rink, laser tag area, 200-seat restaurant, rock climbing area, new indoor arcade and related improvements. The Company has indicated in the application that the maximum estimate cost of undertaking the Project will be approximately \$3,500,000 and provided financial assistance of the Agency would be a straight lease holding. Stephen Brescia made a motion seconded by John Borland to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Chairman, David MacFarland, passed copies of a letter from John D'Ambrosio of the Orange County Chamber of Commerce, and asked members to attend a meeting on April 19, 2006 at the SUNY Orange Newburgh campus. A presentation by Pattern for Progress would be given on the Global Hudson Valley Initiative.

Presented was a resolution authorizing the negotiation, execution and delivery of the amendment documents in connection with the provision by Orange Regional Medical Center of a substitute liquidity facility. John Steinberg made a motion seconded by John Borland to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a Resolution authorizing a public hearing for Millennium Pipeline Company, LLC Project. The Agency accepted their application requesting assistance with a certain project consisting of the acquisition by the Agency of fee title to or other interest in a certain parcel of land located in the Towns of Deerpark, Greenville, Minisink, Tuxedo and Warwick Orange County, New York and the existing improvements located thereon. The improvements consisting principally of approximately 32 plus miles of an approximately 182-mile existing natural gas transportation pipeline. The improvements would include new compressor stations and pipelines. Stephen Brescia made a motion seconded by John Borland to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

An engagement letter from Nugent and Haeussler conducting the Agency's annual audit was accepted and signed.

Presented was a Resolution authorizing a public hearing for Crystal Run Village, Inc. Project. An application was accepted requesting assistance with refinancing of certain existing taxable indebtedness originally incurred to finance the costs of construction and equipping of 8 existing 2,000-3,000 square-foot single family homes for the treatment and habilitation of people with developmental disabilities located in Orange County, New York. Stephen Brescia made a motion seconded by John Steinberg to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Recognized was Charlie Schachter of Harris Beach presenting procedures on new State Laws for IDA's. He handed out memos to members with changes of structures and reporting requirements. The new "Public Authority Office" will be in effect April 1, 2006. He urged members to read the requirements for they will be changed. Also there will have to be a separation of board members and officers and training for new members is available at seminars. A memo with dates and places was distributed.

Presented was a Resolution authorizing Chairman to sign IDA Attorney engagement letter setting forth a fee schedule as recommended by the New York State Bar Association. Each member was sent a letter regarding fees. Stephen Brescia made a motion seconded by John Steinberg authorizing the Chairman to sign an engagement letter regarding fees. Affirmative votes of all members present resulted in motion carried.

There will be a board vacancy of the IDA as of June 2006. William Trimble asked members to think of a replacement and give any recommendations and names to him.

Presented was the IDA's Administrator Report. Please see attached.

Stephen Brescia made a motion seconded by John Borland to adjourn to executive session to discuss matters of personnel matters, financial history and or promotion of particular corporation or agencies; and to discuss proposed litigation regarding Agency claim for services against an applicant project. Any subsequent action will be taken at public session.

Stephen Brescia made a motion to end executive session and John Borland seconded motion.

Stephen Brescia made a motion that this meeting be duly adjourned the time being 5:10 p.m.

Edda Eller  
Recording Secretary