

**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 March 27, 2014 at 2:00 p.m. in the Newburgh Armory Unity Center, 321 South William St, Newburgh, New York, to consider and/or act upon the following:

### Order of Business

- **Roll Call**
- **Approval of the minutes from February 20 and 27, 2014 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
  - Chairman's Report
  - Executive Director's Report
  - OCBA Report
  - OCP Report
  - Unfinished Business
    - SUNY Reimbursement
  - Discussions
    - 2013 Annual Audit Presentation – Judelson, Giordano & Siegel
    - Investment Policy By-Law Change discussion
    - Labor Policy discussion
    - Mount Saint Mary College
    - Continental Organics
- **Resolutions**
  - Old Guard Hotel – Initial Resolution
  - Kikkerfrosch – Initial Resolution
- **Such other and further business as may be presented**
- **Public Comments**
- **Adjournment**

Dated: March 17, 2014

Stephen Brescia, Secretary

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

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

February 20, 2014

A special meeting of the Orange County Industrial Development Agency was convened in public session on February 20, 2014 at 10:05 A.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, Henry VanLeeuwen

ABSENT: Russell Vernon

ALSO PRESENT: James Petro – Executive Director  
Kevin Dowd – Attorney  
Laurie Villasuso – Associate Executive Director  
Steven Neuhaus – Orange County Executive  
Wayne Booth – Deputy County Executive  
Brian Gates – HVEDC  
Amanda Dana – Orange County Partnership  
Sam Fratto – IBEW 363  
John Dickson – IBEW 363  
Tom Gandolfini – LU 373  
RJ Smith – RJ Smith Realty  
Philip Dropkin – Town & Village of Goshen  
Douglas Bloomfield – Goshen Town Supervisor  
Neal Halloran – Town of Goshen Building and Zoning  
Frank Sylvester – IBEW Local 363  
Jessica DiNapoli – Times Herald Record  
Todd Diorio – HVBCTC  
Mike Gaydos – HVBT 417 IW

Chairman Armistead calls to order the special meeting for the Orange County IDA, February 20, 2014 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

**Amy's Kitchen – Resolution**

With no one present from Amy's Kitchen, Chairman Armistead explains to the room that the project is still in negotiations, and has yet to make an official commitment to the Goshen site. There is a challenge with the site, and in an effort to remedy the situation and keep the project in Orange County, the State has offered significant incentives to Amy's. ESD has offered \$800K in assistance for infrastructure improvements, and Amy's has requested that the Orange County IDA contribute \$500K to these improvements. In addition, Amy's will invest \$300K in the improvements, which include wastewater treatment, water treatment, roadwork on 17M, among other items. Chairman Armistead notes that the purpose of this meeting is to come a decision on the \$500K Project Expenditure request from Amy's.

Mr. Dowd calls the Board's attention to a letter from Amy's which details exactly how the \$500K would be spent. Chairman Armistead notes that a decision on this request will help Amy's make an informed decision on this site. Ms. Villasuso adds that the funds will be paid directly to the vendors for the work, not paid to Amy's directly. Mr. Petro also notes Amy's has mentioned that once this request has been approved, the public hearing can move forward.

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

Mr. VanLeeuwen stresses that local labor is important. Chairman Armistead agrees, and goes on to note that the site and road work completed as a result of this request will be beneficial not only to Amy's, but the Town, Village and future businesses in the area.

Supervisor Bloomfield takes a moment to commend the many benefits of the Amy's Kitchen project. He explains that the company cares deeply for its employees, providing excellent medical and retirement benefits, and adds that the area needs a company like this. He commends the IDA for passing the project expenditure resolution, and guesses that the area will see an enormous benefit from the project, well beyond the dollars it can bring.

Mr. Steinberg adds that Amy's track record of working with local farms is also quite encouraging. The benefit to the local farms, especially in the emerging organic produce field, is expansive.

County Executive Neuhaus adds that effects of this project will be felt in Pine Island and Marlboro and beyond. He reminds the Board and the room that the Amy's project is not a done deal, but this \$500K project expenditure makes it a done deal. He applauds the IDA for their actions today.

### **Such other and further business as may be presented**

Chairman Armistead notes that the IDA Board has been working diligently to create and adopt a new labor policy. In creating the policy, the Labor Policy Committee has been working closely with the Trades to ensure that the County's best interests are represented.

Mr. Diorio states that he would like the IDA to adopt a labor policy sooner rather than later, and prefers to not have any more projects move forward without a new policy in place. He also notes that he has not yet been able to speak with anyone at Amy's about their use of local labor. He is advised that, as the project is not yet committed, labor discussions with them may be premature. Ms. Rogulski advises that, in an early meeting with Amy's, she raised the issue of local labor, and was advised by Amy's that their desire is to use local labor.

Mr. Diorio offers examples of other projects that intended to use local labor, but eventually hired laborers from other states. Chairman Armistead advises him that the policy the IDA is currently working aims to address those issues going forward, and will have consequences for those who do not adhere to the new policy.

County Executive Neuhaus adds that this is the first time Amy's is building on this side of the country, and reminds the room that the project is still in the beginning stages. He notes that he is committed to sitting with the trades and the project to ensure local labor is utilized. He also notes that the new DA is working to enforce local labor laws, and reminds the room that everyone wants the same thing: Local labor.

Mr. Fratto notes that local labor is very aware that NY has to be very competitive and flexible to make local labor attractive. He commends the IDA Board for working hard to make a policy that enforces the use of local labor. He ensures that, given the opportunity to sit with projects like Amy's, they are being respectful and working hard to make the deal happen so that local labor can be utilized.

Moving on, Chairman Armistead advises that he, Mr. Petro and Ms. Villasuso attended a rotary dinner last night to inform the public about the IDA and how it works. It seems that many people think that the IDA gives money away, and the team was able to correct the misunderstandings and explain the benefits offered by the IDA. The hope is to clear up any misconceptions that exist about the IDA.

Motion made by Brescia to enter executive session issue relating to the credit, financial or employment history of a particular firm or corporation. Motion seconded by VanLeeuwen. All in favor.

### *Executive Session*

The members discussed a particular firm.

### *End of Executive Session*

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

Chairman Armistead notes that he will be absent from next week's regular meeting. He recommends moving along the labor policy and shovel ready site program. With that in mind, Mr. Schreibeis asks about the Warwick Correctional Facility site. Mr. Dowd advises that it is in progress.

With regard to a few recent news articles about holding companies accountable to the employment numbers they provide, he notes that we are currently in the process of taking action against some companies. Mr. Steinberg asks if this relates at all to the annual PARIS report. Ms. Villasuso advises that she does request employment and benefit information from all IDA projects once a year. It has been a challenge to get replies from all IDA projects, despite reconfiguring the language to state that IDA benefits could be revoked if a reply is not received. Mr. Steinberg suggests letting the Board know which companies fail to reply, so that the Board can begin to take action against them. Ms. Villasuso confirms that she will advise the Board of any company that fails to reply to her annual request for information.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by VanLeeuwen, seconded by Brescia, the time being 11:35 p.m.

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ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

February 27, 2014

A regular meeting of the Orange County Industrial Development Agency was convened in public session on February 27, 2014 at 2:00 P.M. at the Orange County Executive's Office in Goshen, New York.

The meeting was called to order by the Vice Chairman, Mary Ellen Rogulski, and upon roll being called, the following were:

PRESENT: Mary Ellen Rogulski, Stephen Brescia, Robert Schreiber, Russell Vernon  
[John Steinberg joining after roll call]

ABSENT: Robert Armistead, Henry VanLeeuwen

ALSO PRESENT: James Petro – Executive Director  
Laurie Villasuso – Associate Executive Director  
Joel Kleiman – Chief Financial Officer  
Kevin Dowd – Attorney  
Russell Gaenzle – Harris Beach, PLLC  
Steven Neuhaus – Orange County Executive  
Wayne Booth – Deputy County Executive  
Brian Gates – HVEDC  
Amanda Dana – Orange County Partnership  
Bill Fioravanti – Orange County Partnership  
Marge LaPerle – Orange County Partnership  
Carlos Vega – AJ Ross Creative Media  
Allan Ross – AJ Ross Creative Media  
Todd Erling – HVADC  
Bob Ambrosetti – Local 373  
Michael Gaydos – Local 417 HVBT  
Todd Diorio – Local 17 HVBCTC  
Bill DeProspero – DeProspero, Petrizzo & Longo  
Richard Rosen – Columbia Development  
Jim Burpoe – Orange County Government  
Dominic Cordisco – Drake Loeb  
John Discon – Local 363  
James Walsh – Times Herald Record  
Jessica Chen – TWC News

Chairwoman Rogulski calls to order the regular meeting for the Orange County IDA, February 27, 2014 (Pledge of Allegiance is recited). Board consists of four members. There is a quorum.

Review of the prior January 15, 2014 meeting minutes. Motion made by Brescia, seconded by Vernon, to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

**Financial Reports and/or Requests for Payment**

Mr. Kleiman asks the Members to refer to the income and expense summary for January 2014. He notes that the figures include expenses that were paid in January, but will be accrued back to 2013. He also calls attention to the fact that center column is titled "modified budget." After the original budget was posted online, the \$5K Empire Zone item was removed, resulting in the modified budget. Going forward, Mr. Kleiman will continue to use this version of the budget. He moves on to the Bank Account spreadsheet and explains that the IDA has just over \$8.1M in various bank accounts, and the OCFC has just over \$754K as of January 31. Lastly, he distributes a revised version of the February Weiner and Frankel bill for further review. This brings the receipts to \$28,948.86, and the payments to \$59,149.49.

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

Mr. Petro adds that the heat and electric bill at the Business Accelerator doubled this month. Mr. Kleiman notes that the Accelerator provides its own financial report, and is included in the packet.

Lastly, Mr. Kleiman advises that at March's meeting, the audit committee will meet to review the audit as prepared by JGS. JGS will be present at both the audit and regular meetings in March to go over the report with the Board. The Board will need to review and accept the audit at that meeting on March 27, as the deadline to file the reports with PARIS is March 31.

Mr. Vernon asks if the Board will be approving the investment policy revision, as presented at the Governance meeting prior to this meeting. Mr. Kleiman advises that the change is a by-law change, and will be acted upon at March's meeting. The revision gives the Board alternatives for investments.

### **Executive Director Report**

With no Chairman's report to offer, Chairwoman Rogulski requests Mr. Petro's Executive Director report. Mr. Petro advises that it has been a very busy month for both him and Ms. Villasuso, as they share the responsibilities of the IDA office. Over the last week alone, they appeared before E&E to give a presentation about the IDA, met with a new hotel project in Highland Falls, attended the Pratt & Whitney and CPV public hearings, and attended a Rotary function to give another presentation about the IDA. Additionally, Mr. Petro has received a lease renewal from Bette, and the renewal provides for a new termination date – December 31, 2015 – and allows for 275 days' notice of non-renewal, rather than 365 days.

Motion made by Brescia, seconded by Vernon, to authorize the Executive Director to sign the lease for the Orange County Business Accelerator. Motion carries with all in favor.

Mr. Petro then offers an update on the Port of Newburgh project, and advises that the IDA is still waiting for an application from Mr. Plotkin. He also notes that the City of Newburgh IDA is operational again, and the Orange County IDA will need a letter of deferral from them. Mr. Brescia adds that we also need a commitment from the City of Newburgh on the portion of the project property that belongs to them.

### **OCBA Report**

Mr. Gates begins by advising that Sabila has gone to contract on a 90k square foot building in Middletown with plans to hire 15-20 people, and will be graduating and moving out of the Accelerator on April 1<sup>st</sup>. He reminds the room that Sabila was one of the Business Challenge winners.

He goes on to advise that Nexus Health Resources will be moving in on April 1<sup>st</sup>, and they are a digital technology company, specializing in software that helps hospitals reduce recidivism rates. The company currently works with Orange Regional, and has 2 employees at this time, with plans to expand to 20 people within the next year. The Accelerator is also in talks with Sustainable Waste Power Systems, who converts waste into energy, and they are interested in Start Up NY benefits. Lastly, Align Med is on the radar, and is comprised of people in the medical education system.

Mr. Gates explains some updates to the website, and offers a recap of the UVANY event earlier in the month. He also explains the upcoming seminars coming to the Accelerator. He advises that he continues to reach out to SUNY in an effort to be designated a part of their Start Up NY plan. He also explains the marketing efforts he and Focus Media have undertaken under the last month.

Mr. Petro notes that he would like to discuss the cost of the ads currently being used to promote the Accelerator. Mr. Petro suggests that the newspaper ads are expensive, but also ineffective. Mr. Gates advises that there have been improved hits on the website, and there are plans to celebrate the 5<sup>th</sup> anniversary of the Accelerator. Chairwoman Rogulski advises that she believes the Board should receive more feedback and information about what is and is not working at the Accelerator. Mr. Vernon requests information about how many open offices there are, and the future campaigns to fill the vacant offices.

### **OCP Report**

Mr. Fioravanti introduces himself as the new Director of Business Attraction for the Orange County Partnership. He is familiar with a number of attendees through his previous work with the Orange County Chamber, but is excited to present for OCP in Ms. Halahan's absence.

*[Mr. Steinberg joins the meeting]*

He begins by offering an attraction report for 2014 so far, with a total of 12 leads as of last week. Three tourism projects lead the pack, which relate to the recent news articles about gaming coming to the Hudson Valley. Moving on, he summarizes some other attraction leads OCP has been working on. Touching on projects currently under way, Ms. Laperle notes that Kikkerfrosch, who came to the IDA in 2013, is back on the radar with a new location identified in Goshen. Ms. Dana addresses Business Retention and Expansions, and notes that manufacturing companies are the leading trend. In total, BR&E offers 346 potential new and retained jobs. One of the projects is Continental Organics, and she has organized a tour next week, and provides the IDA Board with details and invites them to attend. Ms. Dana also advises that the Orange County Arts Council is working on an initiative to attract film production to the area. Mr. Neuhaus advises that there is currently a movie being filmed in Orange County.

Ms. Dana discusses the recent marketing efforts of OCP, advising that an eblast and newsletter are in the works. She offers updates on the recent ABG meetings.

Mr. Vernon adds that companies have been using the Newburgh Armory for job fairs, and they have been quite successful.

### **AJ Ross**

Mr. Ross introduces Mr. Vega, and announces that the new IDA website is now live. Mr. Vega displays the website for the Members and calls attention to the most interesting portions of the site. There is an interactive map of the County, highlighting the shipping and transportation routes within Orange County. In addition, there is easy access to the IDA meeting schedule/calendar of events from the main page. He goes on to navigate through the site, displaying all of the features and highlights of the site.

After roughly six months, Mr. Vega can analyze site statistics to see how the site is being used, which can help us make improvements in the site and help with marketing efforts later. The analytics will also reveal the search terms that bring visitors to the site, and those terms can be worked into the site's Search Engine Optimization.

Moving on, Mr. Vega passes around a mocked up version of a new incentive brochure, which, as Ms. Villasuso explains, will be used when she and Mr. Petro need provide IDA incentive details to companies looking for incentives. In addition, a smaller, more general brochure is being used for trade show and general distribution. Mr. Vega displays an overview of the IDA marketing plan, showing the business cards, brochures, websites and social media pages.

The Board commends Mistrs Vega and Ross on their work for the IDA, and advises that they are quite pleased with the results.

### **HVADC**

Mr. Erling begins by advising the Members that HVADC's goal is to enhance the agricultural sector in Orange County, bringing regional projects to the area, encouraging Orange County participation in those projects, as well projects happening in Orange County. Mr. Erling uses the Amy's Kitchen project as an example: Going back to their CA roots, HVADC has had a long affiliation with the company. HVADC has been held up as a successful example of regionalism, working to support food and beverage. Three years ago, they were part of benchmark study of the San Francisco foodshed, and now know a lot of the employees in Amy's procurement department. Once Amy's locates in Orange County, HVADC steps in to help them source all of the local produce they need. He offers some other examples of their work with local companies, helping connect projects with their agricultural needs.

### **Labor Policy**

Mr. Brescia notes that the Governance Committee recommends two changes to the draft policy received by the Board. The cost differential was reduced from 15% to 10%, and page 2, line 3, which read "Letter from the Hudson Valley Building and Construction Trades Council stating that there is not a project labor agreement in place for the project" was removed. With those changes, the policy is forwarded on to the Board for adoption at next month's meeting.

Mr. Diorio expresses concern that the Trades, who have been part of the labor policy discussions thus far, are unaware of the policy currently being referred to the Board. He is advised by Mr. Brescia that the drafts provided by the trades have been considered in the writing of this policy. With some question about the policy, Chairwoman Rogulski advises that she believes the Policy as it is now address the local labor concerns. She adds that a copy of the policy will be provided to the Trades for review, but reminds the room that the IDA's responsibility is to ensure not only that local labor is used, but also that companies continue to come to Orange County to provide permanent jobs.

#### **CRH Realty VIII, LLC – Final Resolution**

Mr. Cordisco introduces himself, and Mr. Rosen, who are here to represent the CRH Realty VIII project. He notes that the IDA public hearing for the project was held on January 14<sup>th</sup>, and adds that the town planning board adopted a negative declaration in November for the new facility on Route 300 in the Town of Newburgh. The project will add an estimated 237 jobs to the area, 40 of which will be doctors.

Mr. Dowd reads aloud the CRH Realty VIII, LLC final resolution. He notes that one change is being made to the resolution: the Board is approving Sales Tax Exemptions for purchases of up to \$1.5M, resulting in Sales Tax savings of \$120K. Motion made by Schreibeis, seconded by Brescia. Open for discussion. Affirmative votes of all members present resulted in motion carried.

#### **Pratt & Whitney – Final Resolution**

Mr. Petro notes that he and Ms. Villasuso attended the public hearing – along with Mr. Dowd and Chairman Armistead – and the hearing went well, with all attendees offering support of the project.

Mr. Dowd reads aloud the Pratt & Whitney final resolution. He draws attention to the fact that the Sales Tax Exemptions for purchases of up to \$40M, and will not exceed \$3.248M. Motion made by Schreibeis, seconded by Vernon. Open for discussion. Affirmative votes of all members present resulted in motion carried.

#### **Such other and further business as may be presented**

Mr. Petro mentions that Ms. Villasuso is using her personal phone for a good deal of IDA business. He suggests that the IDA approve a monthly reimbursement for her in the amount of \$40, to be paid quarterly. Motion made by Brescia, seconded by Schreibeis, to approve the payment to Ms. Villasuso. Motion carries with all in favor.

Mr. Brescia makes one comment about the labor policy; it was mentioned earlier that there is no monitoring entity included in the labor policy, but he points out that a monitoring entity is, in fact, mentioned. And he also notes that the entity would be appointed by the IDA, and doesn't preclude the IDA from having some union and non-union appointees on that committee. Mr. Vernon adds that, at the end of the day, the IDA wants local labor, and has supported it all along. He believes that the IDA has done a good job, with this policy, of creating a balance that should satisfy everyone.

Mr. Erling adds that, as someone who deals with a number of IDAs, it is his opinion that the Orange County IDA has been very reasonable in the policy presented today. He also notes that the other counties he deals with have changed their policies on a yearly basis as they learn what does and does not work. Chairwoman Rogulski agrees.

With no further business, meeting called for adjournment by Chairwoman Rogulski, motion made by Schreibeis, seconded by Vernon, the time being 3:27 p.m.



Orange County Industrial Development Agency  
Income and Expense Summary  
February 2014

	Feb 14	Jan - Feb 14	Modified Budget	\$ Over Budget
<b>Income</b>				
Closing Fees	\$ -	\$ (561,469)	\$ 983,333	\$ (1,544,802)
Fees	\$ -	\$ -	\$ 655,000	\$ (655,000)
IDA Administrative Fees	\$ -	\$ 5,000	\$ 10,000	\$ (5,000)
Interest Earnings	\$ 2,939.40	\$ 3	\$ 22,000	\$ (21,997)
Pass Thru Legal Fees	\$ -	\$ 5,000	\$ 10,000	\$ (5,000)
Recovered Funds	\$ -	\$ -	\$ 255,000	\$ (255,000)
<b>Total Income</b>	<b>\$ 2,939.40</b>	<b>\$ (551,466)</b>	<b>\$ 1,935,333</b>	<b>\$ (2,486,799)</b>
<b>Expense</b>				
<b>Administrative Costs</b>				
Advertising	\$ -	\$ -	\$ 1,500	\$ (1,500)
Auditors	\$ -	\$ (11,500)	\$ 13,000	\$ (24,500)
Insurance	\$ -	\$ 7,050	\$ 7,000	\$ 50
Mileage	\$ -	\$ -	\$ 500	\$ (500)
OCIDA Admin. Support	\$ -	\$ -	\$ 5,000	\$ (5,000)
Office Supplies & Expenses	\$ 668.13	\$ 940	\$ 5,000	\$ (4,060)
Secretary/Bookkeeper/Accountant	\$ 500.00	\$ -	\$ 2,000	\$ (2,000)
Website and Technical Support	\$ -	\$ -	\$ 5,000	\$ (5,000)
<b>Total Administrative Costs</b>	<b>\$ 1,168.13</b>	<b>\$ (3,510)</b>	<b>\$ 39,000</b>	<b>\$ (42,510)</b>
<b>Agency Contribution Costs</b>				
Hudson Valley Agribusiness Dvl.	\$ 4,262.50	\$ -	\$ 25,000	\$ (25,000)
Hudson Valley Eco. Dev. Corp.	\$ 15,500.00	\$ 15,500	\$ 15,500	\$ -
Hudson Valley Eco. Dev. Network	\$ 4,500.00	\$ 4,500	\$ 4,500	\$ -
Hudson Valley Film Commission	\$ -	\$ -	\$ 10,000	\$ (10,000)
Hudson Valley Food & Beverage	\$ -	\$ -	\$ 20,000	\$ (20,000)
O.C. Foreign Trade Zone	\$ -	\$ -	\$ 25,000	\$ (25,000)
O.C. Partnership	\$ -	\$ -	\$ 230,000	\$ (230,000)
Orange County NY Arts Council	\$ 8,992.04	\$ -	\$ 45,000	\$ (45,000)
Patterns for Progress	\$ -	\$ -	\$ 17,000	\$ (17,000)
PTAC	\$ -	\$ -	\$ 28,000	\$ (28,000)
<b>Total Agency Contribution Costs</b>	<b>\$ 33,254.54</b>	<b>\$ 20,000</b>	<b>\$ 420,000</b>	<b>\$ (400,000)</b>
<b>Legal</b>				
Legal, Pass Thru	\$ 5,000.00	\$ 5,000	\$ 10,000	\$ (5,000)
Legal - Other	\$ 10,320.00	\$ 11,162	\$ 75,000	\$ (63,838)
<b>Total Legal</b>	<b>\$ 15,320.00</b>	<b>\$ 16,162</b>	<b>\$ 85,000</b>	<b>\$ (68,838)</b>
<b>Other Expenses</b>				
Conferences, Seminars, Events & Dues	\$ -	\$ 1,500	\$ 5,000	\$ (3,500)
Promotional Expenses	\$ 9,231.32	\$ 9,231	\$ 30,000	\$ (20,769)
<b>Total Other Expenses</b>	<b>\$ 9,231.32</b>	<b>\$ 10,731</b>	<b>\$ 35,000</b>	<b>\$ (24,269)</b>
<b>Projects</b>				
Projects	\$ 598.00	\$ -	\$ 450,000	\$ (450,000)
<b>Total Projects</b>	<b>\$ 598.00</b>	<b>\$ -</b>	<b>\$ 450,000</b>	<b>\$ (450,000)</b>
<b>Total Expense</b>	<b>\$ 59,571.99</b>	<b>\$ 43,383</b>	<b>\$ 1,029,000</b>	<b>\$ (985,617)</b>
<b>Income Over/(Under) Expense</b>	<b>\$ (56,632.59)</b>	<b>\$ (594,849)</b>	<b>\$ 906,333</b>	<b>\$ (1,501,182)</b>

Orange County Industrial Development Agency  
Banks Accounts/Certificates of Deposit/Money Markets Accounts  
As of February 28, 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

		Amount	% of total		rate
Bank Account	Chase - checking	\$ 200,739	2%	bank account	0.10%
Certificates of Deposit	OC Trust/Provident	\$ 3,842,782	47%	CD	
Money Market	Provident Bank	\$ 1,911,985	24%	MM	0.51%
Money Market	Provident Bank	\$ 2,142,826	26%	MM	0.35%
	<b>total</b>	<b>\$ 8,098,333</b>	<b>100%</b>		

Orange County Funding Corporation  
As of February 28, 2014

		Amount	% of total		rate
	Chase - checking	\$ 153,276	20%	bank account	0.10%
	Orange County Trust	\$ 601,605	80%	MM	0.30%
	<b>total</b>	<b>\$ 754,880</b>	<b>100%</b>		



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

	<u>Feb 14</u>	<u>Jan - Feb 14</u>	<u>Budget</u>	
<b>Ordinary Income/Expense</b>				20%
<b>Income</b>				
IDA Deposit	0.00	174,356.50		
Rent-Clients	4,239.36	8,804.08	100,000.00	
Rent-HVEDC	3,145.98	6,291.96	38,400.00	
Rent Sponsors	833.34	1,666.68		
Seminar/Sponsor			2,000.00	
Utility Reimbursement	411.94	924.85	4,000.00	
<b>Total Income</b>	<u>8,630.62</u>	<u>192,044.07</u>	144,400.00	
<b>Expense</b>				
Admin. Fees	12,086.16	26,296.66	120,456.00	22%
Automobile Expense	55.34	125.25	10,000.00	1%
Benefits				
403B	288.92	645.89		
MVP	1,224.04	2,448.08		
NYSDBL	12.72	29.28		
<b>Total Benefits</b>	<u>1,525.68</u>	<u>3,123.25</u>	21,000.00	15%
Building Insurance			5,000.00	0%
Building Rent	14,647.50	29,295.00	175,770.00	17%
Building Utilities	3,542.92	6,288.92	20,000.00	31%
Business Accelerator Management	6,000.00	12,000.00	72,000.00	17%
Contingency			5,000.00	0%
Common Area Maintenance	4,104.76	8,209.52	44,400.00	18%
Dues and Subscriptions	24.00	773.89	3,500.00	22%
Info Technology	553.99	1,113.45	30,000.00	4%
Marketing/PR & Web	3,781.68	18,493.44	150,000.00	12%
Office Cleaning	250.00	500.00	3,000.00	17%
Office Supplies & Postage	1,038.69	1,273.24	9,000.00	14%
Payroll Taxes & Fees				
FICA / Med	175.26	381.33		
FICA / SS	749.36	1,630.40		
FUTA	342.27	551.72		
Staff-Line Fee	211.52	460.21		
SUTA	279.09	492.27		
Workers Comp	90.64	197.21		
Payroll Taxes & Fees - Other	117.22	117.22		
<b>Total Payroll Taxes &amp; Fees</b>	<u>1,965.36</u>	<u>3,830.36</u>	12,000.00	32%
Professional Fees	0.00	525.00	6,300.00	8%
Revenue Reimbursement to IDA	28,948.86	28,948.86		
Security Deposit - Refund	750.00	750.00		
Travel, Lodging, Meals	0.00	157.00	10,000.00	2%
<b>Total Expense</b>	<u>79,274.94</u>	<u>141,703.84</u>	697,426.00	
<b>Net Ordinary Income</b>	<u>-70,644.32</u>	<u>50,340.23</u>		
<b>Other Income/Expense</b>				
<b>Other Income</b>				
Interest Income	14.91	22.30		
<b>Total Other Income</b>	<u>14.91</u>	<u>22.30</u>		
<b>Net Other Income</b>	<u>14.91</u>	<u>22.30</u>		
<b>Net Income</b>	<u><u>-70,629.41</u></u>	<u><u>50,362.53</u></u>		



March 5, 2014

To: Orange County IDA

Fr: Brian Gates

Re: Sabila graduates from OCBA

---

This is the company I talked about at the last IDA meeting. They will graduate from the OCBA in April.

Any questions please let me know.

Brian Gates



Wednesday  
March 5, 2014

HOME



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### Entrepreneurs hope to turn Middletown building into microbrewery, restaurant

MIDDLETOWN – Two young businessmen are going to purchase the Clemson Bros. Building on Cottage Street in Middletown and spend over \$1.6 million to convert the former hacksaw blade manufacturing facility into apartments and a microbrewery-restaurant.

Kenneth Porter is a developer, and is involved in a series of beverage companies with his son Kenan Port, Kenan Porter and Tonatiuh (Tony) Tello's family owns El Bandito Restaurants in nearby Walkill and in Spring Valley.

Their plans are to develop five upscale apartments, some warehousing for their beer distribution, commercial rental space and the microbrewery-restaurant, which will be the centerpiece of the project.

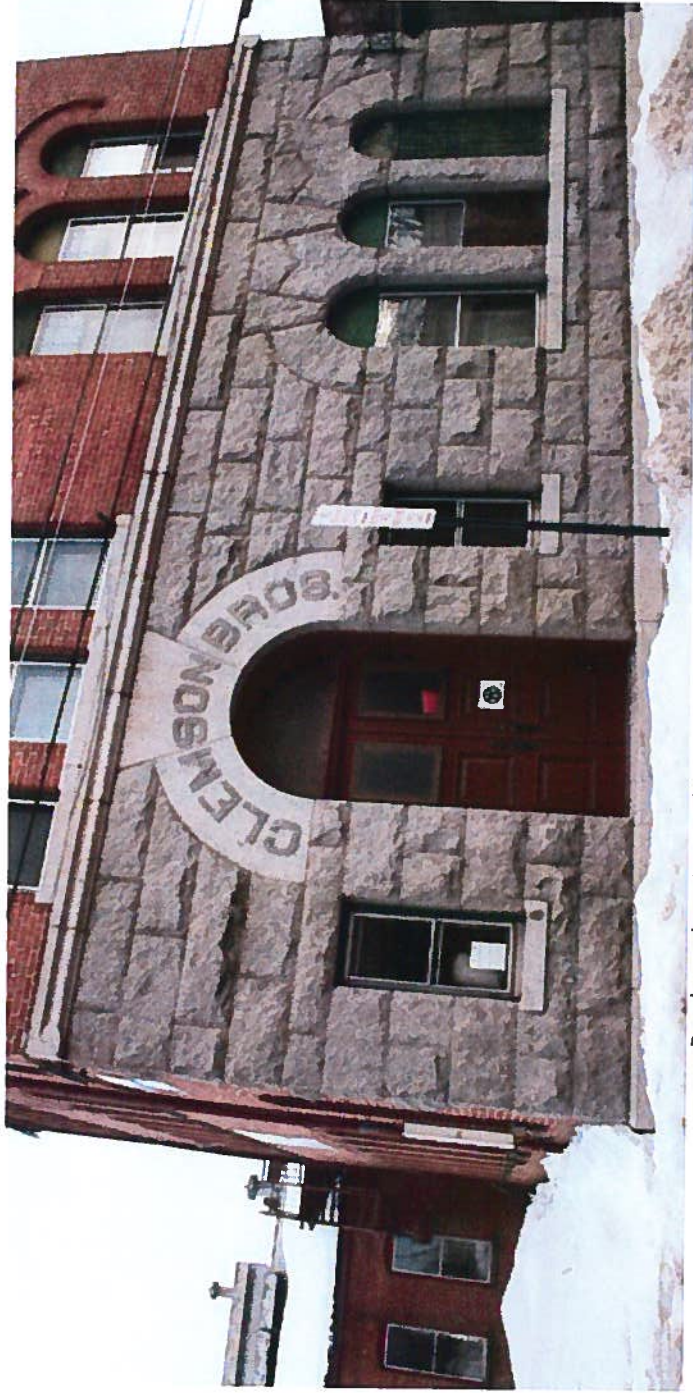
Porter said they looked at other locations in Orange County, but chose Middletown because of its potential for their business venture.

"The population density here in Middletown is much more significant than those other areas and we feel there is a higher probability for the rate of success in the City of Middletown," Porter said. "There is a lot of underlying value in the city, there is a lot of history here and our hope is that we are going to bring that history over the next year to two years."

The restaurant, with an upscale yet rustic factory appearance, will feature Americana cuisine of the early 1930s to 1950s.



DeStefano, left, Porter, center and Tello, announce plans



Developers hope to turn this into apartments, microbrewery, restaurant

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HEAR today's news on [MidHudsonRadio.com](http://MidHudsonRadio.com), the Hudson Valley's only Internet radio news report.



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4 Crotty Lane  
Suite 100  
New Windsor, NY 12553

phone: 845.220.2244  
fax: 845.220-2247  
www.hvedc.com

February 28, 2014

To: Orange County IDA Board

Fr: Brian Gates

Re: OCBA Client Update

---

Per your request, attached is a client update as of April 1, 2014. I will ask each of the clients leaving April 1<sup>st</sup> to fill out a survey with regards to their time spent here at OCBA.

If you have any specific questions you would like answered, please let me know.  
Thanks.

Brian Gates  
[bqates@hvedc.com](mailto:bqates@hvedc.com)  
845-857-5350 (cell)

---

***The Hudson Valley.  
Right where you need to be.***



Client Update  
Effective April 2014

<u>Suite Number</u>	<u>Company</u>	<u>Comments</u>
1	Executive Director - IDA	
2	Ellen Bogen Media	
3	Associate Director - IDA	
4	Connected Contractors	
5	Nexus Health Resources	New
6	Choice Words	
12	Mag 3	
13	Cymo Gen	
14	Merete Medical	
15	Merete Medical	
16	Futr Fab	
17	Open- Potential StartUP NY	Free Thought moving out- economic/venting issues
18	Open- Potential StartUP NY	<b>Sabila Graduating - buying 90,000 SF bldg Mtown</b>
19	Open- Potential StartUP NY	Air Chex indicated 2 new contracts but still plans to move out

## Laurie Villasuso

---

**From:** Brian Gates <b gates@hvedc.com>  
**Sent:** Thursday, March 06, 2014 8:02 PM  
**To:** rikjim@aol.com; Laurie Villasuso; rtarmistead@armistead-nj.com  
**Cc:** Larry Gottlieb; Russ Vernon; Gina Domenico; Josh Sommers; Bill Madden; Whitney Bowers; Kelly Reilly  
**Subject:** SUNY Orange/OCBA/STARTUP NY

Dear All,

I had a meeting tonight with Dr. Richards. I am very happy to report that SUNY Orange will include the OCBA in their STARTUP NY campus plan as a candidate for designation as a tax free zone. Dr. Richards is thrilled with the idea, the potential for new and exciting businesses locating at the Accelerator and the opportunities for student involvement and collaboration. We discussed next steps and I will follow up with his two key personnel assigned to STARTUP NY. Upon acceptance of their campus plan by both the Chancellor and the State, we will begin to market the OCBA as a STARTUP NY location. In addition we discussed other opportunities for the 3 new buildings purchased by the County and for other locations near the campus.

Focus Media USA and HVEDC is in the process of creating an exciting and comprehensive plan for promoting this new opportunity to gain new clients for the Accelerator. We will present this plan to the IDA Board at the next meeting for input and suggestions.

I will attend the meeting on March 12<sup>th</sup> with all Hudson Valley SUNY campuses and the State to discuss this plan as well as other potential STARTUP NY initiatives. Thanks Russ for pushing this along with Dr. Richards.

Any questions, please ask.

Brian Gates  
Vice President  
Hudson Valley Economic Development Corporation  
4 Crotty Lane, Suite 100  
New Windsor, NY 12553  
Phone: 845.220.2244  
[www.hvedc.com](http://www.hvedc.com)



**Laurie Villasuso**

---

**From:** David Kohn, SUNY Orange <david.kohn@sunyorange.edu>  
**Sent:** Tuesday, November 19, 2013 9:38 AM  
**To:** lvillasuso@ocnyida.com  
**Subject:** SUNY Orange Resolutions 2011-2012  
**Attachments:** OC IDA Resolutions.pdf

Laurie,

OK, I finally have all the documentation. Attached are two resolutions with the first resolution referencing a previous resolution. It appears from the attached that there are a total of three resolutions totaling \$58,530:

- 
- August 21, 2011, \$13,200 (this is referenced in the first resolution)
- April 18, 2012, \$31,000
- June 20, 2012, \$14,330

It was the College's understanding that the College will be reimbursed for expenses as opposed to the IDA providing the funding up front. Please confirm the total amount of the resolutions, as well as the best way to obtain the College's expenses to date.

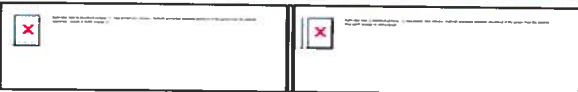
Thank you for your kind consideration to this matter.

Sincerely,  
Dave

--



**David Kohn**  
Director, Continuing Education  
SUNY Orange  
[david.kohn@sunyorange.edu](mailto:david.kohn@sunyorange.edu)  
845-341-9388



Please consider the environment before printing this e-mail!

RESOLUTION APPROVING EXPENDITURE FOR ADVANCED  
MANUFACTURING

MOTION BY: Bob Armistead

SECONDED BY: Mary Ellen Rogulski

Whereas, this IDA has previously been briefed on advanced manufacturing and CNC machines, and approved an expenditure of \$13,200 for travel on August 17, 2011, of which only a small amount has been used to date.

Now Therefore Be It Resolved that this IDA after due deliberation authorizes an expenditure of \$31,000, for the advanced manufacturing project evaluation including focus groups and part-time coordinator, plus actual unreimbursed travel expenses to this date.

Vote:

Mr. Schreibeis	Yes
Ms. Rogulski	Yes
Mr. Armistead	Yes
Mr. Brescia	Yes
Mr. Steinberg	Yes
Mr. Van Leeuwen	Absent
Chairman Petro	Yes

DATED: 4-18-12

6 AYES 0 NAYS

RESOLUTION ADOPTED

RESOLUTION APPROVING PREPARATION OF GRANT TO NATIONAL SCIENCE FOUNDATION FOR ADVANCED MANUFACTURING, FOLLOWING FEBRUARY 2012 TRIP TO WASHINGTON, D.C.

MOTION BY: Bob Armistead

SECONDED BY: Mary Ellen Rogulski

Whereas, this IDA is working with SUNY Orange to install an advanced manufacturing certificate program and to that end is seeking grants; and

Whereas, a three-person team visited the National Science Foundation in February 2012 and determined that there are grants available for such a program, ranging from \$50,000 to \$2.5 million, and that the IDA- SUNY Orange project appears to have a solid chance of obtaining such a grant; and

Whereas, a professional and competitive application must be prepared and submitted to NHS by October 12, 2012, and NHS has advised that the sooner the better, and a grant-writing proposal has been submitted by the Courtney Strong organization in the amount of \$14,330 which includes trips to South Carolina and Washington, D.C.

Now Therefore Be It Resolved that this IDA approve the proposal received from the Courtney Strong organization in the amount of \$14,330 to prepare the NHS grant application.

Vote:

- Mr. Schreibeis Yes
- Ms. Rogulski Yes
- Mr. Armistead Yes
- Mr. Brescia Yes
- Mr. Steinberg Yes
- Mr. Van Lecuwen Yes
- Chairman Petro Yes

DATED: 6-20-2012

7 AYES; 0 NAYS

RESOLUTION ADOPTED





MSMC

March 14, 2014

Mr. James R Petro Jr.  
Executive Director  
Orange County Industrial Development Agency  
4 Crotty Lane  
New Windsor, NY 12553

Dear Mr Petro,

I write this letter as president of the Greater Newburgh Symphony Orchestra board of directors and in behalf of Mount Saint Mary College who is seeking IDA assistance to help finance Aquinas auditorium updating.

Our GNSO concert season is performed at Aquinas Hall. We use the auditorium for rehearsals as well. There are no fees to the GNSO for its use. This is a win win for the orchestra and the community. At his time the Mounts auditorium is the only economically viable venue it our area. It is both important and necessary to maintain the hall and optimize its capabilities and features. I understand part of the desired improvements include better acoustics and improved seating. There is no question our performances would be enhanced with improved acoustics as would those of any other group using the hall. Improved seating would also be most welcome – particularly for the senior members of our audience.

The college has a huge impact on the economics of our community and the Auditorium is a significant contributor. The budget of our orchestra is approaching \$90,000 annually with the majority of that amount going to pay our musicians. These musicians live in the area and spend their money locally.

The auditorium at Aquinas hall is tired and greatly in need of a makeover. It is my hope the IDA will be able to provide assistance to meet this need.

Yours very truly,

Frédéric McCurdy

President

Greater Newburgh Symphony Orchestra

Board President

**GTI Graphic Technology, Inc.**

**ORANGE COUNTY  
INDUSTRIAL  
DEVELOPMENT  
AGENCY**

**APPLICATION FOR  
FINANCIAL ASSISTANCE**

Church Hill Properties of Highland Falls, New York,  
LLC  
(Applicant Name)

**Robert T. Armistead  
Chairman**

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

Phone: 845-234-4192 Fax: 845-220-2228  
[www.ocnyida.com](http://www.ocnyida.com)  
[business@ocnyida.com](mailto:business@ocnyida.com)

Updated January 2014



# ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## APPLICATION FOR FINANCIAL ASSISTANCE

### I. APPLICANT INFORMATION

Company Name: Church Hill Properties of Highland Falls New York LLC  
Mailing Address: 302 Main Street, 3<sup>rd</sup> Floor, Highland Falls, New York 10928  
Phone No.: 845-446-2220  
Fax No.: 845-446-4800  
Fed Id. No.: EIN 46-3926655  
Contact Person: James A. Titolo

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):  
James A. Titolo 53%, Robert A. Luster 42%

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

#### Form of Entity

Corporation

Date of Incorporation: \_\_\_\_\_  
State of Incorporation: \_\_\_\_\_

Partnership

General: \_\_\_\_\_ or Limited: \_\_\_\_\_  
Number of general partners: \_\_\_\_\_  
If applicable, number of limited partners: \_\_\_\_\_

Date of formation: \_\_\_\_\_  
Jurisdiction of Formation: \_\_\_\_\_

Limited Liability Company/Partnership (number of members 2)

Date of Incorporation: October 8, 2013  
State of Incorporation: New York

Sole Proprietorship

**Application for Financial Assistance**

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

Yes       No

APPLICANT'S COUNSEL

Name:	<u>Albert P.Pacione, Jr., PLLC</u>
Address:	<u>45 Webster Avenue, Goshen, NY 10924</u>
Phone No.:	<u>845-294-1895</u>
Fax No.:	<u>845-294-1887</u>

II. PROJECT INFORMATION

A) Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected.

Construction of a 4-floor plus basement level 109,000 sf continuous structure with site improvements to include required parking spaces, landscaping, and utility connections. The total development cost for this project is approximately \$ 20,000,000.

B) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations.

Environmental Assessment Study in progress; no application is pending

If any of the above persons, or a group of them, owns more than a 50% interest in the company, list all other organizations which are related to the company by virtue of such persons having more than a 50% interest in such organizations.

None

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

No

Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? If so, please provide offering statement used.

No

## Application for Financial Assistance

### Project Data

1. Project site (land)

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

4.21 acres

(b) Are there buildings now on the project site?

Yes  No

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

Site currently not in use. Abandoned former motel property

(d) Indicate relationship to present user of project.

None

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

Yes, one building to be demolished;

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

Yes, one new building approximately 109,000 sf

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

No, only demolition of existing abandoned motel

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

Constructed building will be a hotel and restaurant.

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

5% office space all related to the building operations

## Application for Financial Assistance

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

None

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

Furnishings, Fixtures, and Equipment for approximately 120 guest rooms; Kitchen equipment and dining room furnishings for 120 chair restaurant; laundry equipment; IT

8. Has construction work on this project begun?

Complete the following

(a) site clearance	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	% complete
(b) foundation	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	% complete
(c) footings	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	% complete
(d) steel	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	% complete
(e) masonry work	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	% complete
(f) other (describe below)	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/>	No	% complete

9. Will any of the funds borrowed through the Agency be used for refinancing?

None

10. Is a purchaser for the bonds in place? Building will be financed private loan secured by a first lien on property

### COST BENEFIT ANALYSIS:

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>	
Estimated Sales Tax Exemption	\$ <u>650,000.00</u>	New Jobs Created	<u>60</u>
		Existing Jobs Retained	<u>0</u>
Estimated Mortgage Tax Exemption	\$ <u>210,000.00</u>	Private Funds invested	<u>\$21,500,000.00</u>
		Other Benefits	<u>\$</u>
Estimated Property Tax Abatement	\$ <u>2,253,000.00</u>	Expected Yearly Payroll	<u>\$ 2250000</u>
Estimated Interest Savings IRB Issue	\$ <u><del>2,253,000.00</del></u>	Expected Gross Receipts	<u>\$ 7,500,000.00</u>

**Application for Financial Assistance**

B) Project Address: 1610 Route 9W, Highland Falls, NY, 10928

Tax Map Number 111/1/15.1, 15.2, 15.3, 15.4  
(Section/Block/Lot)

Located in City of: N/A  
 Located in Village of: Highland Falls  
 Located in Town of: Highlands  
 School District of: Highland Falls Central School District

C) Are utilities on site?

Water  Yes  No      Electric  Yes  No  
 Gas  Yes  No      Sanitary/Storm Sewer  Yes  No

D) Present legal owner of the site: \_\_\_\_\_  
 If other than from applicant, by what means will the site be acquired for this project?  
None

E) Zoning of Project Site:      Current: B-2, R-3      Proposed: \_\_\_\_\_

F) Are any variances needed?      Building height, retaining wall height, rear set back

G) Principal use of project upon completion: Hotel and restaurant

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

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

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

	<u>Number of jobs created</u>		<u>Estimated Annual Salary Range</u>	
Construction:	<u>100</u>	\$	<u>35,000</u>	to \$ <u>70,000</u>
Permanent	<u>60</u>	\$	<u>30,000</u>	to \$ <u>90,000</u>
Retained	<u>60</u>	\$	<u>30,000</u>	to \$ <u>100,000</u>

J) Financial Assistance being applied for:

	<u>Estimated Value</u>
<input checked="" type="checkbox"/> Real Property Tax Abatement	\$ <u>2,530,000.00</u>
<input checked="" type="checkbox"/> Mortgage Tax Exemption	\$ <u>210,000.00</u>
<input checked="" type="checkbox"/> Sales and Use Tax Exemption	\$ <u>650,000.00</u>
<input type="checkbox"/> Issuance by the Agency of Tax Exempt Bonds	\$ <u>0.00</u>

## Application for Financial Assistance

### K) Project Costs (Estimates)

Land	\$ 500,000.00
Building	\$13,500,000.00
Equipment	\$2,500,000.00
Soft costs	\$2,500,000.00
Other	\$1,000,000.00
<b>Total</b>	<b>\$20,000,000.00</b>

### III. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.
- B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JPTA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Fillings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.
- E. Annual Employment Reports The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- F. Absence of Conflicts of Interest The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of

## Application for Financial Assistance

the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

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

  
\_\_\_\_\_  
(Applicant Signature)

JAMES A. Titolo  
\_\_\_\_\_  
(Name of Officer)

Managing Partner  
\_\_\_\_\_  
(Title)

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

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

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

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

Attach the following Financial Information of the Company

1. Financial statements for last two fiscal years (unless included in company's Annual Reports).
2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years.


**Application for Financial Assistance**

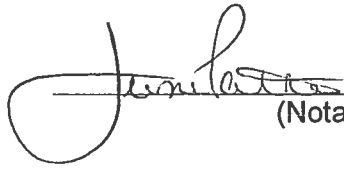
- 3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.
- 4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company.

**HOLD HARMLESS AGREEMENT**

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

(Applicant Signature)

By:   
 Name: James A. Titolo  
 Title: Managing Member

  
 (Notary Public)

JUNE PATTERSON  
 Notary Public, State of New York  
 Qualified in Orange County  
 Registration No. 01PA6146631  
 Commission Expires May 22, 20 14

Sworn to before me this 13 day  
 of MAR, 2014



**Motion By:** \_\_\_\_\_  
**Seconded By:** \_\_\_\_\_

**INITIAL RESOLUTION**

*(Church Hill Properties of Highland Falls New York LLC Project)*

A regular meeting of the Orange County Industrial Development Agency held on March 27, 2014 at 2:00 p.m. (local time) at the Newburgh Armory, 321 South William Street, Newburgh, New York 12550.

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 Church Hill Properties of Highland Falls New York LLC (the "Company").

RESOLUTION (i) ACCEPTING THE APPLICATION OF CHURCH HILL PROPERTIES OF HIGHLAND FALLS NEW YORK LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW), (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO SUCH PROJECT AND (iii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO SUCH PROJECT.

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, (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power and for the purpose of, among other things, acquiring, constructing, reconstructing and equipping manufacturing, warehousing, research, commercial, or industrial facilities as authorized by the Act; and

WHEREAS, **CHURCH HILL PROPERTIES OF HIGHLAND FALLS NEW YORK LLC** (the "Company"), for itself or on behalf of an entity to be formed, has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Agency of a leasehold or other interest in an aggregate approximately 4.21-acres of land located at 1610 Route 9W and Mearns Ave. in the Town of Highland Falls, Orange County, New York (the "Land"), (ii) the construction on the land by the Company as agent of the Agency of an approximately 109,000 square foot hotel and restaurant together with a parking lot and landscaping and site improvements (collectively, the "Improvements"); and (iii) the acquisition in and around the Improvements of certain items of machinery, equipment and other tangible personal property (collectively, the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will hold a public hearing and (i) negotiate an agent agreement (the "Agent Agreement"), pursuant to which the Agency will appoint the Company as its agent for the purpose of acquiring, constructing and equipping the Facility, (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), a leaseback agreement (the "Leaseback Agreement") and a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), (iii) take title to, or a leasehold interest in, the Land, the Improvements and the Equipment constituting the Facility (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (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 Facility, (b) a partial real property tax abatement structured within the PILOT Agreement, and (c) a mortgage recording tax exemption for financing or re-financing related to the Project (collectively the "Financial Assistance"); and

WHEREAS, the Company has represented to the Agency that the Project is likely to attract a significant number of visitors from outside the economic development region (as established by Section 230 of the New York State Economic Development Law), and therefore the Project constitutes a "tourism destination" as defined in Section 862(2) of the Act.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE 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, 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) The Agency has the authority to take the actions contemplated herein under the Act; and

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

(D) 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

(E) The Project constitutes a "tourism destination" as defined in Section 862(2) of the Act.

Section 2. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to hold a public hearing in compliance with the Act and negotiate the terms of (A) an Agent Agreement, pursuant to which the Agency appoints the Company as its agent to undertake the Project, (B) a Lease Agreement, pursuant to which the Company leases the Facility to the Agency, (C) a related Leaseback Agreement, pursuant to which the Agency conveys its interest in the Facility back to the Company, (D) a PILOT Agreement and (E) related documents; *provided*, the provisions of the Agent Agreement and 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 3. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 4. 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 5. 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. Schreiber, 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 the 27<sup>th</sup> day of March, 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 27<sup>th</sup>  
day of March, 2014.

---

Stephen Brescia, Secretary

March 14, 2014

**VIA E-MAIL** (lvillasuso@ocnyida.com)  
**AND FEDERAL EXPRESS**

Orange County Industrial Development Agency  
4 Crotty Lane, Suite 100  
New Windsor, New York 12553

Attn.: Laurie Villasuso, Associate Executive Director

*Re: \$20,000,000 Tax-Exempt/Taxable Industrial Development Revenue Bonds, Series 2014  
(Kikkerfrosch LLC Project)*

Dear Ms. Villasuso:

As you know, this Firm represents Kikkerfrosch, LLC, a New York limited liability company (the "Applicant"). The Applicant submitted to the Orange County Industrial Development Agency (the "Agency") an application for financing (the "Application") together with the required filing fee on July 2, 2013, in connection with the Project described in the Application.

Subsequent to the submission of the Application, we attended the Agency's July 17, 2013, board meeting to address questions and comments of the Agency's board members. At that meeting, the Agency informally acknowledged that the Application would be induced subject to the Applicant identifying a specific property which the Applicant intends to acquire (and on which the Applicant intends to construct the Project). The Applicant has now identified such a property.

The Applicant respectfully request that the Agency consider this letter as an amendment and supplement to its Application and, further, that the Applicant be placed on the Agency's March 27<sup>th</sup> meeting so that the Applicant can be induced for the financing requested in its Application.

We would like the Agency to note the following changes/supplements to the Application:

1. The Applicant is currently in contract to purchase certain property located at Route 17M in the Village of Goshen (the "Property"). The Property is currently owned by the Village of Goshen.

March 14, 2014

Page 2

2. The Property consists of vacant land and contains approximately 115 acres. The Property has tax map identifiers in the Village of Goshen as follows: Section 117, Block 1, Lots 1,2 and a portion of 3.
3. The Applicant is currently performing due diligence on the Property so it is unclear at the moment as to the current zoning of the Property, whether any variances will be required and whether the Project will be Type I or unlisted under the State Environmental Quality Review Act. Note that there are presently no utilities on the Property.
4. The Applicant is currently in discussion with Gates Capital Corporation who will serve as underwriter in respect of the bonds to be issued by the Agency.
5. The Applicant maintains (and as stated in the Application) that the Project will cost approximately \$29 Million, \$9 Million of which will be from funds of the Applicant and \$20 Million of which the Applicant desires to finance through the Agency's issuance of tax-exempt and/or taxable bonds. Note that the Applicant respectfully requests that the Agency induce the Applicant for tax-exempt and/or taxable bonds; the Applicant's ultimate determination as to whether to pursue tax-exempt and/or taxable bonds will be based on more detailed discussions with the Agency's Bond Counsel and the Applicant's underwriter.

We thank you and the Agency for your consideration and courtesies. If you have any questions or comments, feel free to call me at 914-761-1300 or e-mail me at [enichols@cuddyfeder.com](mailto:enichols@cuddyfeder.com).

Very truly yours,



Eon S. Nichols

Enclosures

cc: Working Group (via e-mail)

**Motion By:** \_\_\_\_\_  
**Seconded By:** \_\_\_\_\_

**INITIAL RESOLUTION**  
*(Kikkerfrosch LLC Project)*

A regular meeting of the Orange County Industrial Development Agency held on March 27, 2014 at 2:00 p.m. (local time) at the Newburgh Armory, 321 South William Street, Newburgh, New York 12550.

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 Kikkerfrosch LLC (the "Company").

RESOLUTION (i) ACCEPTING THE APPLICATION OF KIKKERFROSCH LLC WITH RESPECT TO A CERTAIN PROJECT (AS MORE FULLY DESCRIBED BELOW), (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY WITH RESPECT TO SUCH PROJECT AND (iii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO SUCH PROJECT.

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, (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power and for the purpose of, among other things, acquiring, constructing, reconstructing and equipping manufacturing, warehousing, research, commercial, or industrial facilities as authorized by the Act; and

WHEREAS, **KIKKERFROSCH LLC** (the "Company"), for itself or on behalf of an entity to be formed, has submitted an application (the "Application") to the Agency requesting the Agency's assistance with a certain project (the "Project") consisting of (i) the acquisition by the Agency of a leasehold or other interest in an aggregate approximately 115-acres of vacant land located at 2500 State Route 17M in the Village of Goshen and Nucifora Boulevard in the Village of Chester, Orange County, New York (Tax Map ID Nos: 117.000-0001-001, 117.000-0001-002.100 and a portion of 117.000-0001-003) (collectively, the "Land"), (ii) the construction on the land by the Company as agent of the Agency of an approximately 90,000 square foot state-of-the-art brewery including, but not limited to, a brewhouse, grain elevator, malt milling area, yeast propagation area, filtration area, fermentation tank farm area, refrigeration/chiller area, storage area, finished goods warehouse areas, keg and bottle filling lines, and office space (the "Improvements"); and (iii) the acquisition in and around the Improvements of certain items of machinery, equipment and other tangible personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to Article 18-A of the General Municipal Law, the Agency desires to adopt a resolution describing the Project and the financial assistance that the Agency is contemplating with respect to the Project; and

WHEREAS, it is contemplated that the Agency will hold a public hearing and (i) negotiate an agent agreement (the "Agent Agreement"), pursuant to which the Agency will appoint the Company as its agent for the purpose of undertaking the Project, (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), a leaseback agreement (the "Leaseback Agreement") and a payment-in-lieu-of-tax agreement (the "PILOT Agreement"), (iii) take title to, or a leasehold interest in, the Land, the Improvements and the Equipment constituting the Facility (once the Lease Agreement, Leaseback Agreement and PILOT Agreement have been negotiated), and (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 Facility, (b) a partial real property tax abatement structured within the PILOT Agreement, and (c) a mortgage recording tax exemption for financing or re-financing related to the Project (collectively the "Financial Assistance").

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE 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, 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) The Agency has the authority to take the actions contemplated herein under the Act; and

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

(D) 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



Section 2. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to hold a public hearing in compliance with the Act and negotiate the terms of (A) an Agent Agreement, pursuant to which the Agency appoints the Company as its agent to undertake the Project, (B) a Lease Agreement, pursuant to which the Company leases the Facility to the Agency, (C) a related Leaseback Agreement, pursuant to which the Agency conveys its interest in the Facility back to the Company, (D) a PILOT Agreement and (E) related documents; *provided*, the provisions of the Agent Agreement and 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 3. The Agency is hereby authorized to conduct a public hearing in compliance with the Act.

Section 4. 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 5. 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 the 27<sup>th</sup> day of March, 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 27<sup>th</sup> day of March, 2014.

---

Stephen Brescia, Secretary

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

Telephone/Facsimile (845) 778-5442

March 13, 2014

Dominic Cordisco, Esq.  
Drake, Loeb, et al.  
555 Hudson Valley Avenue  
New Windsor, NY 12553

RE: Orange County IDA Labor Policy  
Amy's Kitchen

Dear Dominic:

As the attorney for the Orange County Industrial Development Agency, I am writing to you with regard to the Agency's intention of adopting a new Labor Policy. The IDA Board will be adopting the policy in the next month or two and it will apply *prospectively* to all applicants who file applications on or after the date of adoption. Thus, the new policy will not affect Amy's Kitchen, however, the IDA will still strongly encourage your client to employ local labor forces as much as practicable.

Very truly yours,

KEVIN T. DOWD  
Attorney for OCIDA

cc. IDA Board of Directors



# NEWS

From the Office of the New York State Comptroller  
**Thomas P. DiNapoli**

March 4, 2014, Contact: Press Office (518) 474-4015

## **DiNapoli: Audits Reveal Problems With Local IDAs**

### **Dutchess, Greene and Putnam County IDAs Examined**

Industrial Development Agencies (IDAs) in Dutchess, Greene and Putnam counties granted questionable tax incentives and failed to enforce job creation goals, according to audits released today by State Comptroller Thomas P. DiNapoli. DiNapoli renewed his call for better accountability for IDAs and urged the State Legislature to consider his proposed IDA reform legislation.

"Far too often IDA-sponsored projects are not producing expected benefits and taxpayers are not getting what they were promised," said DiNapoli. "Local IDA officials should implement new policies that will improve oversight of economic development projects, which includes monitoring project results and determining whether tax exemptions and other financial assistance should be recouped if job goals or promised benefits fall short." <

The Comptroller's audits, which focused specifically on management practices, revealed:

#### **Dutchess County IDA**

- Ten of the 21 businesses receiving IDA benefits failed to meet employment goals. Job creation fell short of agreed upon benchmarks by nearly 1,400 jobs;
- IDA officials were not aware of a \$49,000 underpayment of a PILOT fee because it did not monitor payments billed and collected by taxing jurisdictions; and
- None of the PILOT agreements reviewed contained a recapture clause that would allow the IDA to recover certain benefits should companies fail to meet project goals.

#### **Greene County IDA**

- Four of ten businesses receiving IDA benefits failed to meet employment goals and one did not comply with job reporting requirements;
- The IDA entered into contracts in which it is suspected that board members had prohibited conflicts of interest; and
- IDA officials did not conduct a formal cost-benefit analysis during the application process to determine if approved businesses would provide an appropriate return on investment.

#### **Putnam County IDA**

- Several project applications that were approved for IDA benefits failed to include necessary information for determining if the projects would be beneficial to taxpayers;
- The IDA board was not adequately monitoring the performance of businesses receiving benefits to determine if employment projections or other goals were being met; and
- Businesses receiving IDA benefits failed to file required reports regarding capital investments and sales tax savings.

DiNapoli made several recommendations to each IDA. Generally, these include:

- Perform a documented cost-benefit analysis for all proposed projects;
- Establish and implement proper internal controls to help ensure the IDA does not enter into contracts in which an officer or board member has a prohibited interest;
- File complete and accurate financial reports so the effectiveness of IDA incentives can be

- determined;
- Reassess project applications to determine if businesses are receiving unwarranted tax exemptions; and
- Ensure all agreements contain a recapture clause that would allow the IDA to recover financial incentives if businesses do not produce intended benefits or meet performance expectations.

The response from IDA officials is included in each report.

DiNapoli also renewed his call to increase the accountability and improve the efficiency and transparency of IDA operations. The Comptroller has submitted a legislative proposal that seeks more accurate disclosure of project employment information, uniform applications for projects and more objective project evaluation and selection criteria.

For more information about the legislation, visit: <http://www.osc.state.ny.us/legislation/2013-14/oscb9.htm>

For a copy of the Dutchess County IDA report, visit:  
<http://www.osc.state.ny.us/localgov/audits/ida/2014/dutchesscounty.pdf>

For a copy of the Greene County IDA report, visit:  
<http://www.osc.state.ny.us/localgov/audits/ida/2014/greencounty.pdf>

For a copy of the Putnam County IDA report, visit:  
<http://www.osc.state.ny.us/localgov/audits/ida/2014/putnamcounty.pdf>

For access to state and local government spending and more than 50,000 state contracts, visit <http://www.openbooknewyork.com/>. The easy-to-use website was created by Comptroller DiNapoli to promote openness in government and provide taxpayers with better access to the financial workings of government.

###

Albany Phone: (518) 474-4015 Fax: (518) 473-8940  
NYC Phone: (212) 681-4840 Fax: (212) 681-7677  
Internet: [www.osc.state.ny.us](http://www.osc.state.ny.us)  
E-Mail: [press@osc.state.ny.us](mailto:press@osc.state.ny.us)  
Follow us on Twitter: [@NYSComptroller](https://twitter.com/NYSComptroller)  
Like us on Facebook: [www.facebook.com/nyscomptroller](https://www.facebook.com/nyscomptroller)