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

Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on May 12, 2016 at 2:00 p.m. at the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York, to consider and/or act upon the following:

Order of Business

- **Roll Call**
- **Approval of the minutes from April 14 and 21 2016 meetings**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - Chairman's Report
 - Executive Director's Report
 - Chief Operating Officer Report
 - New IDA Application
 - The Accelerator Report
 - Bottling Pod Building Lease Update
 - Equipment License Agreement
 - OCP Report
 - Discussions
- **Resolutions**
 - Matrix Newburgh I, LLC – Final Resolution
- **Such other and further business as may be presented**
- **Public Comments**
- **Executive Session**
- **Adjournment**

Dated: May 4, 2016

Stephen Brescia, Secretary

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

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

April 14, 2016

A regular meeting of the Orange County Industrial Development Agency was convened in public session on April 14, 2016 at 2:01P.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, Stephen Brescia, Robert Schreibeis, John Steinberg, Mary Ellen Rogulski

ABSENT: Edward Diana
Henry VanLeeuwen

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Chief Operating Officer
Joel Kleiman – Chief Financial Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Bill Fioravanti – Orange County Partnership
Amanda Dana – Orange County Partnership
Melanie Schouten – Galileo Technology Group
Vinnie Cozzolino – Galileo Technology Group
Ashley Rivera – EY
Austin DuBois – Allstate Fabrication Attorney
Jacob Ouseph – Allstate Fabrication
Mathew Ouseph – Allstate Fabrication
Tim Muller – Operating Engineers Local 825
Tom Gandolfini – Local 373 Plumbers & Steam Fitters
Michael Gaydos – Local 417 Iron workers
James Walsh – Times Herald Record
Bill Larkin – State Senator
Jim McGee – State Senate
Todd Diorio – HVBCTC
Brian Gates – HVEDC
Gil Piaquadio – Town Supervisor
Alan Seidman – Construction Contractors Association

Robert Armistead calls to order the regular meeting of the Orange County IDA, April 14, 2016 (Pledge of Allegiance is recited). Board consists of five members. There is a quorum.

The Chairman Recognizes Senator Larkin

Senator Larkin addresses a recent article posted in the Times Herald Record that highlighted the IDA labor policy and the reaction of the local trades. He mentions how it is disappointing when a company comes to the county and brings in labor and tradesmen from out of state. When a company, like Matrix, requests PILOT benefits from the IDA they need to respect and hire the local tradesmen.

Minutes

Review of the prior March 10, 2016 meeting minutes. Motion to approve both sets of minutes is made by Mr. Steinberg seconded by Mr. Schreibeis. Motion carries with all in favor.

Mr. Dowd speaks to the March minutes. He states that on page five there is a notation in which the resolution for Matrix was tabled as they were not compliant with the labor policy. He would like to ensure this month's minutes are

correct. The applicant has been spoken with and in fact they, one, have not received their benefits and therefore were not bound by the labor policy and, two, that the actual firms that were doing the site clearing were in fact consistent with the local labor policy and were local firms. The General Contractor is from Pennsylvania, but the General Contractor is not required to be a local tradesman due to the labor policy. The people that the General Contractor hired were in fact local laborers.

Since the topic was brought up, Mr. Armistead states that members of the board have met with Matrix. The local building trades invited them to come and it was understood they had some good discussions.

Mr. Piaquadio states that the project initially seemed like a good idea due to the jobs it would create. Even Senator Larkin had meeting to encourage the project. Recently he wrote a letter to Chairman Armistead asking that the board not vote on the Matrix project until the local labor aspect is straightened out. Granted it should be 85% local labor, but who will audit this project? He thinks for a project this size, one of the largest buildings ever built in the town of Newburgh, that he would feel more comfortable if the developer would say they would use some local unions. The Unions do have apprenticeship programs. So not only do we have local laborers but those who want to get into the field that can be given a chance. The town of Newburgh has already received two lawsuits relating to this project and there isn't even a shovel in the ground, yet. He echoes Senator Larkins request that the local laborers be given a chance.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the summary of IDA bank accounts, certificate of deposits, and money market accounts reflects a total of \$10,268,590, as of March 31st, 2016.

Mr. Kleiman reviews the income and expense summary, noting that YTD is just \$26,457, and YTD expenses are \$45,017, with expenses exceeding revenues by \$18,560.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues are \$66,586, expenses are \$198,058. Expenses, as anticipated, exceed revenues by \$131,472.

Lastly, Mr. Kleiman reviews receipts and vouchers for the month. There is a total of \$98,497.78 to be approved by the board.

Last month, the board approved the annual audit. It was submitted to the New York State Budget Office via the Paris System and all the Paris Reports have been completed and submitted on a timely basis.

Chairman Armistead asks for a motion to approve the vouchers and payments in the amount of \$98,497.78. Motion made by Mrs. Rogulski, seconded by Mr. Schreibeis, that the Board accepts the financial reports and authorize IDA payments and vouchers. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Mr. Armistead addresses the topic of the Matrix project, the article in the Times Herald Record, and the concerns of Senator Larkin, the Town Supervisor, and the local tradesmen. He states that Orange County has been very fortunate with its increased economic activity over the past few years. With that success, it has brought challenges to the IDA board and its minimally staffed office. They have come to realize that there are some applicants with their developers that appear to not be following the policies to the intent that they were written. With their limited resources as a volunteer board and under staffed office team they made a commitment, months ago, to pursue engaging a third party auditing firm to assist the IDA Board in ensuring that every applicant complies with the policies. He mentioned this fact at the last IDA meeting, that this was already in preliminary discussions prior to that meeting. Currently, they are speaking with three different audit firms. It is the hope and intention of the IDA Board to be in position, by the May meeting, to move forward and authorize a firm that will provide these services so that they have full compliance with all of their policies. They have reached out to other IDAs in the state, members of labor, and engineering firms during the selection process.

They have been monitoring and auditing where they can. Mr. Petro, is the part time Executive Director, but he tries to get out there and do the best he can. Mr. Armistead says he tries to guide him on what to be looking for when monitoring.

Mr. Armistead says when he came on the board twelve years ago they would meet every other month and once in a while a project would come along. Presently, it's another ballgame. They are fortunate that this county is so robust with economic development. He thanks the board members, the building trades, and the business partners all for their assistance in what has come to the county and for making it so successful.

He admits that many applicants come to the board with an honest face but they might try to avoid abiding by all requirements stated in the Labor Policy. As stated in the past, the IDA board is a supporter of local labor and the tax payers of Orange County.

Executive Director Report

Mr. Petro states, as the Executive Director, he tries to stay in contact with the local trades. He meets with them, is in frequent contact them, and it is not confrontational as depicted in the local paper or by others. They are trying their best to stay in communication and trying their best to get this all worked out but, like anything else, it's easier to say something than to actually do it. They are putting the effort in to make progress but it is going to take some time. When it comes to new applicants he's on the front lines. When he goes to the public hearings he brings up local labor and tries to initiate an introduction with the present local trades. He has even been criticized for being overly zealous about using local labor. That's how it really is and the board is on a friendly basis with the local trades.

He is trying to reach out to the company but it can be challenging, for example, with a company like Matrix. The tenant company is not local yet, they do not have approval from the board, and they are not currently under the review of the IDA. You can't prejudge a company on what a company might and might not do. In the case of Matrix, repercussions can only result from them losing their benefits by not abiding to the labor policy in the future.

Mr. Petro feels it would be foolish not to grant Matrix the benefits. He is in constant contact with them and they swear they will use local labor. They've met with the local tradesmen and have told them the same thing. He understands that that's what they are saying but haven't come through, yet. It is a little early to judge. Nothing has been approved. You can't condemn the company based on what they might do. No one knows that they definitely won't use the local labor.

It needs to be understood, that the Matrix project is still in an early stage. Would the board like everyone to be signed up with a Project Labor Agreement (PLA) along with additional paperwork beforehand? Of course. Yet, to really have any progress with the situation the board has to approve the project.

Mr. Armistead comments that since the labor policy has been put in place that a majority of applicants, as it appears to the board, have been using local businesses and labor.

Mr. Diorio interjects stating that a lot of the companies aren't using local labor. Presently, on the Matrix site, there are out of town license plates.

Mr. Armistead says, as stated earlier in the meeting, the IDA Board is going to bring on a third party to assist in the auditing process.

Mr. Diorio suggests that the labor policy be edited as it appears the local laborers have lost out on a lot of work.

Mr. Gaydos says his calls to Matrix have only resulted in a call back once the company has first spoken with an IDA representative or the Town Supervisor. Communicating with them has been very difficult.

Mr. Diorio states that Matrix is appeasing the IDA and the local trades until they get their benefits.

Mr. Armistead says if they don't adhere to the policy then they lose their benefits.

Mr. Gaenzle discusses the timing of the approval process. Assuming the board does approve the Matrix project today. Once it is approved, Matrix will be presented with sales tax exemption letter, the lease, the lease back, and the PILOT, the labor policy immediately goes into effect. If they don't comply with the policy, the sales tax exemption is terminated and the property goes back on the tax rolls.

Mr. Petro returns to his report. There were two public hearings on April 13th. One was in New Windsor, New York for Windsor Hospitality, LLC. There was no issue with that hearing. The second was for Leentjes Amusement Corp dba The Castle in Chester, New York. The Mayor of Chester and building inspector attended the hearing and voiced a

dislike of the fact that the benefits were being offered for an expansion. Yet, they weren't against it either. Mr. Petro thanked them for voicing their concern.

Chief Operating Officer Report

Ms. Villasuso states there are new regulations that will be effecting IDAs starting in June. Harris Beach has prepared the new application. It is a lot more in depth in terms of the jobs that will be created and the PILOTs that will be received. She and Mr. Dowd are reviewing the application and will bring it to governance next month, to review and adopt in May. This will put the board ahead of schedule for revising the application to be compliant with those laws.

There has been an ongoing audit issue with IBM relating to their job figures and annual reporting. Mr. Martuccio from Judelson, Giordano, & Siegel, who performs the audits, has been working with Mr. Dowd and Mr. Gaenzle on the revised language of the agreement with IBM. The revised version has been submitted to IBM and it is anticipated that the final version can be presented to the board by May and henceforth adopted.

Mrs. Villasuso has been in conversation with two labor policy audit companies. One is out of Rochester and the other is out of New Jersey. They have also received some interest locally. These companies will be presented with a scope of work for application and to receive the bids. It is anticipated that by May, if they are not in the position to act, they will be in the position to present the board with the bids.

Mr. Armistead states that the board is not able to work with some local firms due to conflict of interest. They are not just looking for the best price, but a firms that can be trusted to get the job done.

The Accelerator Report

Mr. Cozzolino states that the companies currently on site at The Accelerator, not including Paradise Energy Solutions, are now shipping over one million dollars in sales. These are revenue generating companies. Some of them are paying their own salaries and some of them now hiring additional staff.

The Accelerator hosted the first half of the Business Essentials Boot Camp. This event caters to the needs of The Accelerator companies. For example, insurance, accounting, payroll assistance, OSHA, etc. Both consultants and clients were brought together to have one on one sessions.

The Accelerator is hosting its second sewing series. This workshop will concentrate on manufacturing sewing basics. All graduates from the first class gain employment based on their sewing skills.

There is a concentration on women owned businesses at The Accelerator. Primarily due to the fact that 80% of the companies are owned and run by women at The Accelerator. They are all being encouraged to be WBE certified and are getting hands on assistance throughout the process by The Accelerator staff and its supporting network.

There is a growing cluster of attraction businesses in Newburgh. Their revenues range from \$25,000 to \$300,000. They are intending to grow as time goes on in their new location.

The Accelerator is working on developing a Computer Science and Application POD that is being worked on with the Orange County Partnership. The Artisan Foods POD details are also being worked on.

The Accelerator is hosting a Path to Entrepreneurship workshop, Sales and Negotiation, and QuickBooks workshop in the coming months.

The Accelerator is hosting the first Dolphin Tank in the area. Three advanced manufacturing CEOs have donated their time to this event. They will be evaluating two of the companies on site. A mini Dolphin Tank was hosted April 14. An up and coming fashion company was evaluated and given invaluable feedback giving the owner an ideal path to move forward.

The Accelerator Without Walls is booming. A marketing campaign is being developed to help further the reach of the program and get the word out.

Mr. Petro requests an update on the rehabilitation of the rental building soon to be the site of the new bottling POD.

Mr. Cozzolino states that The Accelerator is expanding to include additional bottling PODs in a building down the road on the Avenue of the Americas. It will hold 5 bottling PODS and tenants have already been acquired for those spaces. TSEC is funding for the rehabilitation of the building.

Mr. Armistead states that The Accelerator Committee convened earlier in the day and a lot of positive activity is taking place in The Accelerator and Newburgh. This promising activity is due, not only The Accelerator, but with the assistance of the OCP, local landowners, businesses, and additional industry partners.

OCP Report

Mrs. Dana reviews the business expansions and retention in Orange. They are currently working with about 19 in the county. They could possibly result in about 503 jobs if the projects land.

There are two closed projects. The first, Project Greece, has closed on a building in the town of Newburgh. They are an aluminum fabrication company moving into a 50,000 sq ft building and creating 25 new jobs. The second is FedEx Ground, they have closed on their property and are currently going through the planning phases. This project will create 50 new jobs.

There are two new expansions that have come to the Partnership in the last few weeks. The first is Project Locker, a town of New Windsor based manufacturer. They have a new facility in Texas, as a result of this, this business will be looking to the IDA and NY State for some incentives to stay in New York and build their 200,000 sq ft facility. They are interested in the Port Authority properties. This project is expected to create 100- 150 jobs. The second is Project Nutra, this is a 20,000 sq ft project in the town of Goshen. This is a Nutraceutical Manufacturer. They are looking to the state for some Start-Up New York benefits. This project is expected to create 20 jobs.

Alto Music, is expanding into manufacturing and distribution. They will be adding on about 20,000 sq ft. and specializing the current building for the expansion. They are looking for foreign trade zone benefits. This project is expected to create 10-15 new jobs. Carib South, a cargo airline, the partnership is working with them on their expansion at the Stewart Airport Location. The Castle Fun Center is expanding about 16,000 sq ft to add new attractions and upgrade existing ones. Project Blanket, is looking to expand production but needs sewer and water to accomplish expansion. They are very close to getting this. This will create another 50 jobs.

An additional thing that the OCP is doing is looking at Industrial Parks and the property around them to identify additional sites to bring into industrial inventory. The site inventory is currently low and they are researching where the infrastructure is, whether they can add on to the ends of these industrial parks, or property adjacent to them. They are also working with the rail lines to meet the needs of the businesses and engineers that are outlining some of the properties that could be potential sites.

Mr. Fioravanti reviews the attraction report. Project Houston, this was an Empire State Development lead. There are a couple sites at Stewart Airport but this continues to be a challenge due to a limited number of shovel ready sites. Project Prosciutto, a specialty meats manufacturer. They were interested months ago and have returned to see local sites. Allstate, looking to go to Chester. A cidery, originally based in Maryland and looking to relocate to Newburgh. Project Semolina, a business located in NYC have been looking at some sites. There is also a recycling company looking to locate in Millbrook and should create 30 jobs.

Warwick Valley Office and Technology Corporate Park has 10 shovel ready pad sites. There will be a broker tour there on May 3rd at 9:00am and the OCP QPM (Quarterly Project Meeting) bringing everyone up to date on what projects the Partnership is currently working on.

Mr. Fioravanti serves on the Newburgh Edge Up Committee. Edge Up is about creating a plan for Newburgh, getting everyone on the same page, and enhancing economic development. It's a grass roots effort but will hopefully result in creating a plan for the city and future progress.

IDA Discussions

Mr. Armistead welcomes the Orange County District Attorney, David Hoover.

Mr. Hoover discusses the recent media attention brought to the IDA. As a result of this, his office has received some calls. A couple of years ago, they developed a Crimes Against Revenue Unit and received a state grant. The District Attorney's Office takes a look at bad contractors, prevailing wage cases, all the insurance and tax ramifications of businesses that are doing business in Orange County and are making sure they are contributing their fair share back to the economy. As a result, they have been able to prosecute some contractors that weren't paying prevailing wages, misclassifying employees for insurance purposes, and had quite a few referrals on tax cases in which people weren't reporting taxes as they should. Mr. Hoover states he spoke with Mr. Gaenzle at the OCP dinner and he wanted to make a suggestion in reference to something he saw in Long Island. When businesses come before the IDA and are granted the benefits it would behoove the IDA to remind them that in addition to all the civil issues that are created by breaching the policies, if there is ever a referral to his office the matter will be investigated. Mr. Hoover does not take very kindly to prevailing wage violations and misclassification of employees and job specs. He is here to help the IDA if there is a contractor or job and something has gone awry please call his office. He is here to support labor, the IDA, and ultimately the tax payers.

Mr. Gaenzle states that when the IDA closes a transaction and the company that receives the benefits, they make representation and warrants that the applicant will comply with NY State Law.

Governance Committee Report

Mr. Brescia states that the Governance Committee approved the Armory expenditure deadline.

Motion is made by Mr. Brescia, seconded by Mrs. Rogulski, approving the resolution extending the project expenditure deadline for the Center for Global Advanced Manufacturing, Inc to May 15, 2016 and authorizing the amendment of the IDA's standard agreement. Affirmative votes of all members present resulted in motion carried.

Resolutions

Matrix Newburgh, LLC – Final Resolution

Mr. Dowd reads aloud the Matrix Newburgh, LLC Final Resolution. Motion is made by Mrs. Rogulski, seconded by Mr. Steinberg. The matter is open for discussion.

Mr. Brescia states that he cannot support the Matrix project based on the objections put forth by the local labor and tradesmen. He feels that, up to this point, there does not seem to be enough good faith. The labor unions have supported him for years and he cannot go without supporting them now. If this project gets delayed that might be fine as long as some good faith negotiations take place.

Mr. Schreibeis states that he agrees with Mr. Brescia. He was on the fence about the project but after listening to what's been going on the project should be put off and some details should be ironed out.

Mr. Petro states that because there are some objections the IDA is not going to grant the PILOT Program and tax exemptions to a large company? The way that would change would be if a developer or Trades Union Representative would come in and say to the IDA it's all set and gives permission to proceed. He feels it's an outrage that the board wouldn't vote for this. It's not what the IDA is here for. He's not saying he doesn't agree with the local labor, he does agree with them, but it's not the right procedure. The board isn't passing the resolution because someone hasn't done something, as of yet. It will be okay when the Chairman or Board is told the people are satisfied. He feels the resolution should be passed and the board should move forward. The Chairman has stated that if there is an issue the IDA will take care of it, but to not approve something because in the future a company may not come through isn't right.

Mr. Gaenzle states that because of the nature of this project, he has had numerous conversations with Matrix's counsel. They are completely aware of the policy and the IDA can't impose something on them before there is a contract. As soon as they are provided the sales tax exemption letter and the policy comes into place. If they don't abide by it the exemptions and PILOT are terminated and all benefits are lost. It is basically impossible to enter into a contract before the board approves the project.

Mr. Steinberg states that the situation is complicated because the board does seem to want to move forward with the project but they can't establish a violation of a policy if they don't vote in favor of it. He sides with Mr. Petro because if the board doesn't vote for the project now what becomes the criteria when they do vote in favor of it. Who's going to tell the IDA Board it's ok?

Mr. Steinberg asks Mr. Brescia and Mr. Schreibeis to reconsider their objections to the Matrix project so that the board can move forward and are in the position to do something. Until then nothing can happen. They can't claw back if they don't start.

Mr. Schreibeis states he isn't obligated to the unions but he thought about the situation and currently there appears to be no local labor on site. He would like to think about the project for a month.

It is asked if the board goes or votes by the support of the town of Newburgh. It is stated that that is up for consideration.

Mrs. Rogulski states that the missing topic of discussion is the economics to the developer. The business issue for the developer is in order for the economics of the project to work they're going to need the PILOT and tax exemption. Those are real dollars and to lose those would be greater than hiring and using local labor. So the economics of the project would, by a business reason, push them towards labor because the benefits would be gained from the IDA and also having local people there. There is nothing in the labor policy requiring the developer to have an instate general contractor. They can't enforce that nor should the IDA enforce that regulation. It's a business and they are allowed to do whatever they want. They and the IDA do have an obligation to local labor. The Board constantly supports local labor and they made a policy that is manageable because anything over and above that these companies won't come here. Therefore, it's a delicate balancing point. From her perspective, as a board member, Mrs. Rogulski knows who she represents and that's the tax payers of Orange County. It's not just the labor and not just the tax payers. It is not to be forgotten the number of good paying jobs that are going to come from this project. The Board has an obligation to make sure the policy is upheld. She is in favor of the project and still supports voting.

Mr. Gaenzle states that if the board doesn't proceed then they have no control. If the vote doesn't pass and Matrix doesn't get the benefits, then Matrix could proceed and hire whomever they'd like.

Mr. Brescia states that there needs to be a little more negotiation on the front and he's not seeing that here. It doesn't appear that they are within the 10%. He doesn't want to lose the jobs either, but more negotiations need to take place.

Mr. Armistead states he needs to do what is best for economic development in Orange County. There are permanent jobs at stake here. Bottom line is they are condemning someone before they even do anything. They do have the ability to pull all the benefits. As someone stated before, this project will move forward with or without the benefits. Yet, they'll lose the benefits if they don't abide by the policy. He will be voting in favor of the project.

Mr. Petro states that since it seems like the vote won't pass the resolution should be tabled.

Mr. Dowd states that since there is a motion and a second on the floor, it can be voted on or the motion and second can be withdrawn and the resolution can be motioned to table.

Mrs. Rogulski reluctantly withdraws her motion.

Mr. Steinberg reluctantly withdraws his second.

The board votes to move the resolution to table. Affirmative votes of all members present resulted in motion carried.

Mr. Fioravanti asks what will happen in the next month now that resolution has been tabled again.

Mr. Petro states that a lot of contacts have been made and hopefully within the next thirty days the relationship can become more amicable.

Mr. Gaenzle states that, if it's the pleasure of the board, he will have Matrix sign the local labor policy before next month's meeting.

Mr. Seidman said he was able to get a hold of Matrix. He had a meeting with them the end of last summer and met with Mr. Taylor. They had a very cordial meeting. He handed him some of the contractor books and said he would appreciate if he would hire some laborers out of the books. At least get a bid from them. A promise was made that Matrix would not move forward without meeting with some of the laborers and meeting with Mr. Seidman. Excuses were made and Mr. Seidman was not met with again.

Leentjes Amusement Corp – Final Resolution

Mr. Dowd reads aloud the Leentjes Amusement Corp Final Resolution. Motion is made by Mr. Brescia, seconded by Mrs. Rogulski, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Leentjes Amusements Corp. (D/B/A The Castle). Affirmative votes of all members present resulted in motion carried.

Allstate Fabrication – Initial Resolution

Mr. Jacob Ouseph and Mr. Mathew Ouseph, co-owners, are present to represent Allstate Fabrications. They are accompanied by their attorney Mr. Dubois.

Mr. Dubois states that Allstate is a wholesale marble and granite manufacturer. They have been operating out of their Rockland County, New York location for about eleven years. Expansion is needed and an ideal location has been found in the town of Chester, New York. They are under contract for the property and are now seeking IDA benefits. They do have the support of the town, but Mr. Dubois is not sure if Town Supervisor Jameson has sent the letter. He does have a copy of last month's minutes, where it was supported unanimously, if that is needed.

Mr. Ouseph elaborates by stating this is a 57,000 sq ft property. They had been previously operating from 15,000 sq ft. The business is based in Rockland, Orange, as well as some surrounding countries. Presently, they have about 15 employees and about 8 are going to move. It is expected that they will be able to add 4-8 new jobs right away. Being only wholesale they offer no competition for the local retailers. Last year they made about 4.5 million. They are looking to grow to 5-6 million within a year to a year in a half.

Mrs. Villasuso explains that the approval of this resolution would incentivize Allstate to outfit the interior of the structure that is currently being built.

Mr. Dubois states that it is a new building being developed by Mr. Leentjes.

Mr. Steinberg ask Mr. Gaenzle to elaborate and help clarify a detail on the application.

Mr. Gaenzle states that there is a section of the application in which is states they have not acquired the site yet, but the current owner of the property is in the process of building the shell. In respect to that, Allstate is paying the sales tax while it's being built.

Mr. Armistead asks if Allstate will lease the space.

Mr. Dubois says that his clients will be buying the property but will be adding additional improvement due to their business needs.

Mr. Gaenzle states therefore the board is not incentivizing that initial structure.

Mr. Dowd reads aloud the Allstate Fabrication Initial Resolution. Motion is made by Mrs. Rogulski, seconded by Mr. Schreibeis, accepting the application of Allstate Fabrication with respect to a certain project. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

Mr. Armistead states that he is disappointed that the Matrix project wasn't approved. He feels the board is condemning the project before they give it a chance. It is a concern that the county could lose everything relating to that project. He doesn't feel the they'll leave but there is no way to predict that.

Mrs. Villasuso states that the tenant could very well leave. If Matrix can't stay on the timeline set forth by Amerisource Bergen they could very well relocate.

Mr. Armistead feels they should have passed the resolution.

Mr. Brescia states that he can understand that, to an extent, but people on the board get local labor support and he feels that board should support them in return.

Mrs. Villasuso states that she is not sure what the next step is for the Matrix project. Mr. Petro has put a lot of effort in to make sure all the needs for this application process have been met.

Mr. Gaenzle states he needs to know how to proceed with the Matrix counsel.

Mr. Armistead states there needs to be a special meeting to discuss the project further.

Mrs. Rogulski states that Mr. Diorio talks about the labor policy as if it is a contract between the tradesmen and the IDA. He has no seat on the board and it is the IDA's policy. It is a policy of the IDA board, at the pleasure of the board, and it is not subject to negotiation or review.

Public Comments

No public comments were presented.

Chairman Armistead states with no further comments the board will move into Executive Session.

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(h) of the open meetings law to discuss the sale or lease of real property. Motion made by Mrs. Rogulski to enter executive session issued. Motion seconded by Mr. Schreibeis. All in favor.

Executive Session

The members discuss the sale or lease of real property.

End of Executive Session

Mr. Armistead states that since there was an issue with the Matrix project and a full board wasn't present. He would like to poll the board for a special meeting. Dates will be circulated to organize an appropriate date and time.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Mrs. Rogulski, seconded by Mr. Schreibeis, the time being 4:05 p.m.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

April 21, 2016

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

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ABSENT: Edward Diana

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Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Bill Fioravanti – Orange County Partnership
Melanie Schouten – Galileo Technology Group
Vinnie Cozzolino – Galileo Technology Group
James Walsh – Times Herald Record
Jim Sabastian – Time Herald Record
Todd Diorio – HVBCTC
Gil Piaquadio – Town Supervisor
Alan Seidman – Construction Contractors Association
John Jordan – Construction News
Scott Manley – Town of Newburgh Councilman
Steve Neuhaus – Orange County Executive
Donald Epstein – Matrix
Joseph Taylor - Matrix

Robert Armistead calls to order the Special meeting of the Orange County IDA, April 21, 2016 with the purpose of discussing a certain application. (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Mr. Armistead states for this Special Meeting he will not entertain any public comments. The board is here to discuss the applicant's intent with this project. He requests that the board introduce themselves to the applicant.

The board members introduce themselves.

Financial Reports and/or Requests for Payments

There are no Financial Reports and/or Requests for Payments

New and Unfinished Business

Mr. Armistead addresses Mr. Epstein, of Matrix, stating there has been a lot of concern over the compliance of the labor policy involving the Matrix project. It has brought a lot of attention from the press and taxpayers of Orange County. The reason the labor policy exists is to give tax benefits to companies and entice companies, such a Matrix, to come and build in the County. That authority has been given to the IDA by the Legislature, which is really the taxpayers of Orange County, to benefit them. It provides jobs to local tradesmen and suppliers in the area while supporting economic development. A lot of attention has been caused by this project and the IDA has received a lot of pressure. There have been many letters in the local paper from local taxpayers expressing concern, not all relating to

construction. The IDA has a small staff but they are doing the best they can to make sure applicants comply with the labor policy. In dispute with the newspaper, it is believed by the IDA, that almost all of those that have received benefits have been in compliance with the labor policy. So with that being said, there has been a lot of discussion on the Matrix project which resulted in an early audit.

It is understood that they are not currently under contract but there doesn't seem to be enough good faith effort, by Matrix, to abide by the labor policy. He notes, that Mr. Epstein was kind enough to sign the labor policy agreement ahead of contract.

Mr. Armistead requests Mr. Petro to share what he has experienced at the Matrix job site.

Mr. Petro states on Sunday, and since the labor policy had been signed, he stopped by the work site as it was noted there were out of state plates there. He was given two or three days' worth of work logs, as requested. Upon looking at the logs, it was noted that there weren't street addresses and a good deal of information was missing. They had complied, and this does meet the needs of the policy, but clearly anybody could quickly make up the log in a matter of minutes. The logs are incomplete.

He told them he wanted the insurance papers with New York State compensation, as well, and returned on Wednesday to retrieve them. Those papers seem to be in order. He acquired four days of logs that same day. He requested photo IDs to accompany the names on the logs. There were only five or six vehicles on site but 21 people working. So they're getting picked up from somewhere.

He returned today, April 21, 2016. Homer, that works for Blue Rock the General Contractor, told him there were no IDs and to not expect them as advised by his counsel. This is to respect the privacy of the people that work for him.

An additional detail that caught Mr. Petro's attention was that he was told all the names provided by log were supervisors. Being supervisors they are all exempt, due to the policy, and can live wherever they want. He could understand one or two of the workers being supervisors but eight or nine seems like a lot and a little suspicious. Not to mention, some of the names on the log don't appear to be legitimate. He requested that they put down proper names going forward and include the street address. He was told they would not include the street address or ID photos.

Mr. Armistead states they are looking to verify residency and the workers. The labor policy stipulates 85% of the workers needs to be local labor. Maybe not the contractors and suppliers, though that would be appreciated, but clearly the labor. The taxpayers of the county need to be working on that site. The policy has been expanded and the workers can reside in any of seven counties, not just Orange County. The reason the policy was put together a few years ago was because a lot of abuse and disregard to the local labor request was being made.

The reason this Special Meeting was called is because this assumed disregard for the labor policy brought a lot of attention for the past two meetings. Perhaps if the Matrix project had some representation at those meetings the concern would have been settled by now. The Matrix project resolution was not passed due to a lack of vote from the IDA board. As a result of all of this attention and the suspicious activity and records from the Matrix site, it seemed appropriate to call this special meeting to discuss further what has been happening.

Mr. Epstein states it understood, as stated in the labor policy, that 85% of the labor needs to be local with special exemptions to be made. Matrix's intention had always been to make sure their contractors comply with that policy. They brought in Blue Rock as a general contractor. Matrix has an agreement with Blue Rock stating they are obligated to comply with the written labor policy. They are very focused to ensure that the project starts off on the right foot. Matrix has started a small part of the project due to the rushed schedule of the future tenant, AmerisourceBergen. The building plans have just been completed. They have not pulled any building permits for the plans, yet. The plans have just recently gone out to bid. Matrix did proceed with a small part of the job, possibly 5-6% of the project, to satisfy their client. Due to the information Mr. Petro has brought to them, Matrix has begun their own investigation to ensure Blue Rock is complying. At this point, they don't know to what level Blue Rock is complying. Matrix told Blue Rock they would like to see licenses and that they have the right to see payroll records. As a result, it became a legal issue with Blue Rock and they brought in their attorney. Matrix was told that those records could be provided to them but they would have to sign confidentiality contracts and none of the details that they come across can be shared with anyone. They'll be going through the process with Blue Rock in the next week to find out what's happening on the site. Blue Rock has represented to them that with the employees they have on site they are within the necessary limit of the labor policy. Matrix hasn't audited them, yet. It is such a small part of the deal and the labor policy wasn't made to look at every single small piece. It is meant to look at the project as a whole. He understands that his contractor really hasn't kept the lines of communication open with the local unions or trades. As of now, there are bids coming back and

currently no special exemptions have been requested. AmerisourceBergen, the tenant, is the main beneficiary of the tax benefits of this project but it is in Matrix's contract with them to ensure they can receive them.

Mr. Armistead states it is true that they have not signed an agreement yet, but the board is not getting a good feeling about the project due to what has been happening. This is a serious matter involving money and jobs.

Mr. Epstein says his senior partner, Joseph Taylor, has joined him at the meeting. They have been working together for about 37 years and they believe in labor harmony. There needs to be labor harmony on this project with or without the IDA benefits. He understands that some of the labor representatives are concerned once Matrix has the approval from the IDA, without some agreement in place, they will lose their leverage. Matrix feels that's not true as they have to be in compliance with the labor policy and they have an obligation with AmerisourceBergen. They are pro local labor and labor harmony. All of their jobs have some component of union and non-union labor. This job will have this same make up. They'll need to keep everyone honest, so all can bid and have a fair chance. They're here to say they'll comply with the policy and they know if they don't they'll have repercussions from their tenant.

Mr. Armistead states that he agrees communication has been an issue. It is the poor tone that Blue Rock put forth that caused this meeting to happen and has also resulted in additional attention from local labor and media.

Mr. Taylor states that everyone is here about AmerisourceBergen. The 121 jobs that are going to be created is the main focal point of the project. They are delighted that the IDA has brought AmerisourceBergen to the site. The majority of the benefits go to them. He knows that the concentration has been turned to the construction jobs but the IDA program is working as it brought AmerisourceBergen to the area. One of the issues, due to the tenant, is their time constraint which is why they have had to move forward with a small part of the project. There is a lot of activity on the site and it's not because Matrix likes to have people working at all hours, it's because AmerisourceBergen has strict corporate deadlines they have to meet. They will comply and they understand the consequences if they don't. They have worked with Blue Rock before and they are usually a very reputable company. He has met with Mr. Diorio, discussed the issue with them and Blue Rock, and they'll ensure the best foot is put forth moving forward.

Mr. Epstein states it has been asked many times why they went with Blue Rock a Pennsylvania contractor. Matrix chose them because they are a trusted company, they've worked with in the past, and there was such a tight time frame going with Blue Rock eliminated the process of selecting someone new.

Mr. Armistead states the problem isn't the fact they are from Pennsylvania but the way they have been conducting themselves and doing business. There are many local qualified tradesmen and contractors throughout the Hudson Valley with a lot of good competitive pricing of which have not been communicated with.

Mr. Epstein states only a small portion of work has been done and many opportunities for the local laborers are still available.

Mr. Armistead states it is understood, but when everyone see all the excavation equipment on the site it looks big and it looks like they aren't getting a fair chance.

Mr. Petro asks Mr. Epstein if he goes back to the site to retrieve more work logs how can he verify the laborers. He knows that Matrix is going to pursue their own audit but how can he, as a representative of the IDA, acquire this information.

Mr. Epstein states he's not sure if Mr. Petro can. He's not sure if the logs he's acquired so far are in accordance with the policy on what they are supposed to keep. Once they have gone through their audit they will come back to them and report on their findings. Those findings may not seem applicable, but the job goal is to open up communication moving forward and evaluate the project as a whole. So in theory, whether or not this part was compliant, they still aren't technically violating the labor policy because only such a small part has been completed.

Mrs. Rogulski states there needs to be a standard of validation. There has to be some standard where, by the parties involved, one can be reasonably assured that the information that has been provided is correct. To Mr. Petro's point, there has to be a way to prove the laborers and their legal residency. What's needed is access to tangible identification that employers are required to get when they hire people. Blue rock has refused to provide this information, and that can be respected from a privacy stand point, but there needs to be some kind of agreement in which Matrix can access this information, validate it, and then certify to the IDA board that somebody has done that. The standard of the test is what the IDA board is charged with. Everybody wants AmerisourceBergen to come but the general contractor has set the tone that's creating a shadow across the process.

Mr. Epstein states that currently their attorneys are working through the language that will make up the agreement and allowed them access to those records. He was sent the same log they gave Mr. Petro.

Mr. Brescia states with everything that's happened he thinks that waiting another three weeks to vote on the Matrix project would be best. He likes what Mr. Epstein and Mr. Taylor say but there needs to be a lot more dialogue with local labor and suppliers to gain peace of mind before making this decision. There just seems to be too many uncertainties.

Mr. Epstein says it is the prerogative of the IDA Board to delay the vote, though they are running the risk of AmerisourceBergen leaving and the benefits of the program are going to them. He's not sure if, by the next meeting, there will be any additional information except the clarification of what's been going on for the last few weeks. He's not sure if all awarding of jobs and concerns of the laborers will be settled by then.

Mrs. Rogulski recommends that as Matrix costs the rest of the sub and project jobs that they calculate the local jobs in definitive terms so that there are no questions.

Mr. Armistead states that he's not sure if he wants to push for a vote because he doesn't think it will be favorable.

Mr. Taylor states that it is agreed that the benefits can be revoked, but please keep in mind this is an AmerisourceBergen vote and not a Matrix vote. Everyone can see what is happening on the job site but there is so much more in the works behind the scenes. There is intense pressure to get this job done. This is the most important piece in the room but this is not the most important piece for AmerisourceBergen.

Mr. Armistead acknowledges that what is happening on the site is just a small part, but the communication and project got off on the wrong foot.

Mr. Brescia states Matrix might have a good rapport with Blue Rock, but local laborers have been brushed off and there are creative ways that they can be used to meet the policy requirements.

Mr. Armistead begins to poll the board on voting for the Matrix project.

Mr. Steinberg states that he is sensitive to the time issue. He hopes that Matrix can sort things out with Blue Rock and get some assurances back to the board about compliance.

Mr. Armistead asks if Blue Rock will be the General Contractor of the whole project.

Mr. Epstein states that Blue Rock has not been granted the entire contract. The intention was that they would be the project General Contractor though, for the small portion of the job that they have completed, he doesn't feel they have just cause to terminate at this time. They have set a bad tone but not violated the policy as of yet. If they can't comply then Matrix can't continue with them.

Mr. Dowd asks if Mr. Epstein thinks he can straighten things out with Blue Rock within the next three weeks.

Mr. Epstein states he thinks things will be straightened out going forward with Blue Rock. He's not sure if he can straighten out the last thirty days, because he's not sure what that's going to tell him. Until he sees payroll records he can't say. He discussed earlier with Mr. Petro the topic of what the contractor defined as a resident. The definition might mean something different to Blue Rock than it does to the IDA.

Mr. Armistead states that the IDA Board means a tax paying resident.

Mr. Taylor says that Blue Rock does have the message now. They met with them for hours yesterday and they understand going forward. Things have just gone out for bid. Blue rock has the issue, Matrix is on the issue, and they'll enforce the policy, and they apologize for not being on top of the issue. They haven't had to be on this level in past experiences.

Mr. Armistead states he feels they've had a good discussion today. The board has heard what Matrix had to say and he believes what they said. If things go the way, he thinks they will in the future, then they'll get a positive vote. He's not sure he could get it right now, but possibly in the next two to three weeks. He wishes they had come sooner.

Mr. Epstein states they did offer but were told it wasn't needed.

Mr. Armistead states it was miss calculated. He welcomes Mr. Neuhaus to make a public comment.

Mr. Neuhaus states that he thinks no one in this room wants to lose this project. This is a very important project. AmerisourceBergen is a household name. He feels a lot better after this meeting. The last ten days he's been away and everyday he was on the phone dealing with this issue. Currently, it's the number one issue in Orange County. It was a cloak and dagger, what's going on, and who's in charge situation. If he had known two months ago, Matrix was rushing to clear the site due to the Indiana Bats and AmerisourceBergen's time schedule, they would have been a lot more comfortable. He thinks, in the next three weeks, they have an opportunity to create trust. He thanks Matrix for coming today. Blue Rock does work for them and the fact that no one could get a call back from them really hurt the process. Going forward this is a lesson learned. We know how to make this better. Now it needs to be figured out how to verify IDs. There should be a way to help them enforce the labor policy and make sure they are in compliance with worker's compensation while protecting privacy. Anything he can do to help Matrix through this process he is more than willing to help.

Mr. Steinberg asks Mr. Epstein when he feels he will have the information the IDA Board needs.

Mr. Epstein states that he's not sure about the workers' history but counsel is meeting now.

Mr. Steinberg asks he's not caught up on what's been done but what about going forward.

Mr. Epstein states Matrix will be monitoring closely going forward. He won't have all the compliance answers until the project is done being bid out which will take a few months.

Mr. Armistead states that if there is going to be an exception the IDA Board must be contacted right away.

Mr. Steinberg states he needs more of an explanation. It's going to be four or five months, but there needs to be more of solution now so that the board can vote and the project can move forward. Something more immediate.

Mr. Armistead states that they have to go through the bidding process first before Matrix can provide those answers.

Mrs. Rogulski states, as she mentioned earlier, she feels they can produce a reasonable estimate.

Mr. Epstein states on each individual part of the project that has gone out for bid the labor policy is attached stating that all must be compliant. The target for everything forward is to be 100% compliant. Currently, they are not asking for any exemptions.

It is discussed, amongst the board, on how Matrix can provide some assurances so that they can vote and move the project forward.

Mr. Armistead states that the vote is getting moved to the next meeting. He invites Matrix to come and give an update on where they are in the audit and compliance process to put minds at ease.

Mr. Schreiber states that if Matrix can come back with some positive news he's sure there will not be a problem.

Mr. Epstein states he will share with the board on what their investigation has produced.

Resolutions

Matrix Newburgh, LLC – Final Resolution

The vote is moved to the next IDA Board Meeting.

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(h) of the open meetings law to discuss the employment history of a particular person. Motion made by Mr. Bresica to enter executive session issued. Motion seconded by Mr. Schreiber. All in favor.

Executive Session

The members discuss the employment history of a particular person.

End of Executive Session

Such other and further business as may be presented

No such other and further business was presented.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Mrs. Brescia, seconded by Mr. Schreiber, the time being 5:10 p.m.

Orange County IDA

May 2016

Funds Received

Total	0.00

Vouchers & Payments

Orange County Arts Council (1st Quarter 2016)	10,700.11
NYS EDC (Registration for annual conference - Laurie Villasuso)	375.00
Frances Roth (Windsor Hospitality Public Hearing)	250.00
Frances Roth (Leentjes Public Hearing)	250.00
Perreca Electric Co (NAUC-CGAM)	8,065.90
Harris Beach PLLC (Leentjes Amusement Pass-Thru)	2,500.00
Hudson Valley Film Commission (1st Quarter 2016)	2,500.00
Kevin T. Dowd, Esq. (Legal 3/31/16-4/30/16)	8,288.00

Total **32,929.01**

Motion By: _____
Seconded By: _____

FINAL RESOLUTION
(Matrix Newburgh I, LLC Project)

A regular meeting of the Orange County Industrial Development Agency was held on May 12, 2016 at 2:00 p.m. (local time) at the offices of the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York 12553.

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 Matrix Newburgh I, LLC (the "Company").

RESOLUTION AUTHORIZING THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO (i) TAKE A LEASEHOLD INTEREST IN APPROXIMATELY 69±-ACRES OF LAND LOCATED AT 1901 CORPORATE BOULEVARD, NEWBURGH, ORANGE COUNTY, NEW YORK (THE "LAND"); (II) APPOINT MATRIX NEWBURGH I, LLC AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT AS MORE FULLY DESCRIBED BELOW; (iii) NEGOTIATE AND EXECUTE A LEASE AGREEMENT, LEASEBACK AGREEMENT AND RELATED TAX AGREEMENT; (iv) PROVIDE FINANCIAL ASSISTANCE TO MATRIX NEWBURGH I, LLC IN THE FORM OF (A) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE TAX AGREEMENT; AND (C) IF NECESSARY, A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (v) EXECUTE RELATED DOCUMENTS.

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

WHEREAS, **MATRIX NEWBURGH I, LLC** (the "Company"), for itself or on behalf of an entity to be formed (the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of (i) the acquisition by the Agency of a leasehold or other interest in an aggregate approximately 69±-acre parcel of land located at 1901 Corporate Boulevard in the Town of Newburgh, Orange County, New York (collectively, the "Land"); (ii) the construction on the Land of an approximately 565,000 square-foot building of which 317,000 square feet will be leased to

a pharmaceutical distributor and utilized as a modern distribution center with automated pharmaceutical distribution technology, and the remaining 248,000 square feet will remain unoccupied for spec space for future development (collectively, the "Improvements"); and (iii) the acquisition and installation in, on and around the Improvements of certain items of equipment and other tangible personal property (collectively, the "Equipment" and, together with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on August 12, 2015, at 1:00 p.m. local time, at the Newburgh Town Hall, 1496 Route 300, Newburgh, New York 12550, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions ten (10) days prior to said Public Hearing are attached hereto as **Exhibit A**; and

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

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and its implementing regulations set forth in 6 N.Y.C.R.R. Part 617 (collectively referred to as "SEQRA"), the Town of Newburgh Planning Board (the "Planning Board") determined that the Project was Type I Action pursuant to 6 N.Y.C.R.R. § 617.2(ak) of the SEQRA regulations; and

WHEREAS, on December 17, 2015, the Planning Board issued a Negative Declaration pursuant to SEQRA finding that the Project did not pose a potential significant adverse environmental impact, and on February 18, 2016, the Planning Board further issued final site plan approval for the Project; and

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

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

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

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

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

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

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

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

(F) The Agency has undertaken a comprehensive review of the Environmental Assessment Form prepared by the Company for the Project, as well as the criteria set forth in Section 617.7 of the SEQRA regulations. Upon completing its review, the Agency determines that the Project is a Type I Action pursuant to 617.7.2(ak) of the SEQRA regulations and finds that the Project does not present a potential significant adverse impact to the environment, therefore ratifying the Negative Declaration issued by the Planning Board on December 17, 2015.

Section 2. Subject to the Company executing the Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency

could do if acting in its own behalf; provided, however, the Agent Agreement shall expire on December 31, 2016 (unless extended for good cause by the Executive Director of the Agency) if the Lease Agreement, Leaseback Agreement and PILOT Agreement contemplated have not been executed and delivered.

Section 3. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to New York State and local sales and use tax in an amount up to \$49,452,307, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed \$4,018,000. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, shall (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 4. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (A) the Lease Agreement whereby the Company leases the Project to the Agency, (B) the related Leaseback Agreement conveying the Project back to the Company, and (C) the Tax Agreement; provided, that, (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the Tax Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 5. The Chairman, Vice Chairman and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents reasonably

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

Section 6. 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 7. 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>Yea</u>	<u>Nay</u>	<u>Absent</u>	<u>Abstain</u>
Robert T. Armistead				
Mary Ellen Rogulski				
Edward Diana				
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 May 12, 2016, with the original thereof on file in my office, and that the same is a true and
correct copy of the proceedings of the Agency and of such resolution set forth therein and of the
whole of said original insofar as the same relates to the subject matters therein referred to.

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

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

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

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this _____
day of May, 2016.

Stephen Brescia, Secretary

ORIGINAL

ORANGE COUNTY INDUSTRIAL AGENCY
STATE OF NEW YORK

-----x

IN THE MATTER OF

LEENTJES AMUSEMENTS CORP. (D/B/A THE CASTLE)

-----x

The Castle Fun Center Welcome Center
109 Brookside Avenue
Chester New York
April 13, 2016
1:00 p.m.

B E F O R E: James Petro, Executive Director
Orange County IDA

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

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

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

HARRIS BEACH, PLLC
Bond Counsel for OCIDA
99 Garnsey Road
Pittsford, NY 14545
BY: RUSSELL GAENZLE, ESQ.

Laurie Villasuso, Chief Operating Officer, OCIDA

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 MR. PETRO: I'd like to open up the public
3 hearing. Please stand for the Pledge of
4 Allegiance.

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

6 MR. PETRO: Welcome everybody. This is a
7 public hearing. With us today we have Russ
8 Gaenzle, he's our bond counsel representative,
9 our attorney is Kevin Dowd, Chief Operating
10 Officer, Laura Villasuso and I'm Jim Petro, I'm
11 the Executive Director of the Orange County IDA,
12 Franny's taking the notes. And obviously, there
13 would be no action taken today. This is for
14 information purposes only to report back to the
15 board and that's the way it goes. So what we'll
16 do is we'll have the attorney read in the Notice
17 of Public Hearing and there's a sign-in sheet
18 here for anybody that needs to sign in.

19 MR. DOWD: Thank you, Mr. Chairman. Notice
20 of Public Hearing. Notice is hereby given that a
21 public hearing pursuant to Article 18-A of the
22 New York General Municipal Law will be held by
23 the Orange County Industrial Development Agency
24 on Wednesday, April 13, 2016, at 1:00 p.m. local
25 time, on the 2st Floor of the Welcome Center at

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 The Castle Fun Center, 109 Brookside Avenue,
3 Chester, New York 10918, in connection with the
4 following matter: LEENTJES AMUSEMENTS CORP.

5 (d/b/a) The Castle for itself or on behalf of an
6 affiliate or affiliates, or an entity formed or
7 to be formed, has submitted an application to the
8 Agency requesting the Agency's assistance with
9 respect to a certain project consisting of: (a)
10 the acquisition or retention by the Agency of a
11 leasehold interest in a portion of a parcel of
12 and located at 109-115 Brookside Avenue in the
13 Village and Town of Chester, Orange County, New
14 York and the existing improvements thereon
15 consisting principally of two 18 hole mini golf
16 courses, go-cart track, climbing wall, arcade,
17 batting cages, roller skating rink, laser tag
18 area, 200 seat restaurant, rock climbing area and
19 indoor arcade; (B) (i) the removal of the existing
20 batting cages to make room for new rides and (ii)
21 the construction on the Land of an approximately
22 15,000 square foot addition to the existing
23 building to accommodate new rides, arcade
24 equipment, inflatable bounces, digital billboards
25 and related improvements and equipment in

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 furtherance of the Company's existing amusement
3 park and (C) the acquisition in and around the
4 Improvements of certain items of equipment,
5 machinery and other tangible personal property.
6 The Agency will acquire a leasehold interest in
7 the Facility and lease the Facility back to the
8 Company. The Company will operate the Facility
9 during the term of the lease. At the end of the
10 lease term, the Agency's leasehold interest will
11 be terminated. The Agency contemplates that it
12 will provide financial assistance to the Company
13 in the form of sales and use tax exemptions, a
14 mortgage recording tax exemption and a real
15 property tax abatement, all consistent with the
16 policies of the Agency unless procedures for
17 deviation are complied with. A representative of
18 the Agency will be at the above-stated time and
19 place to present a copy of the Company's Project
20 Application and hear and accept written and oral
21 comments from all persons with views in favor of
22 or opposed to or otherwise relevant to the
23 proposed Financial Assistance. Dated: April 1
24 2016 by Orange County Industrial Development
25 Agency.

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 MR. PETRO: Can you repeat that?

3 MR. DOWD: Yes, but not now.

4 MR. PETRO: Alright, the company, we have a
5 representative, Brian, the owner, is here.
6 Estimated sales tax exemption is \$130,000,
7 obviously looking for that, mortgage tax may or
8 may not come into play but could be up to
9 120,000, property tax abatement for a 10 year
10 PILOT and this is again on the improvements
11 certainly it's not on the property, it's not
12 special district charges, it's on the improvement
13 only. So that's where that stands. I guess
14 you're going to create 22 new jobs with this
15 addition?

16 MR. LEENTJES: Yes.

17 MR. PETRO: And you're retaining the 48 that
18 are here now, obviously. And about 1.2 million
19 is the addition?

20 MR. LEENTJES: Yes.

21 MR. PETRO: Okay, your payroll's a lot of
22 money, almost \$1.6 million on \$6 million of
23 receipts, so this is a great addition to Orange
24 County, I think or obviously to Chester. With us
25 we have the Supervisor of Chester, is that

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 correct?

3 MR. BELL: No, Mayor.

4 MR. PETRO: Mayor and the building
5 inspector, he looks like he's taking notes
6 already, Brian, so prepare yourself. And that's
7 basically it. Do you want to say anything to the
8 board? This is not a planning board so anything
9 you want to say about the project?

10 MR. LEENTJES: Not really. I think you guys
11 know, I know Cliff and Leslie have been at the
12 planning board meetings so they're pretty well
13 versed on it, so but we're looking forward to
14 getting going. I'm starting some preliminary
15 landscaping with the anticipation that it goes
16 well.

17 MR. PETRO: We have Amanda from Orange
18 County Partnership.

19 MS. DANA: This is Larissa Lewis from Orange
20 County Partnership.

21 MR. PETRO: You're not new, you've been here
22 a while.

23 MS. LEWIS: Yes.

24 MS. DANA: She heads up the economic
25 research and development.

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 MR. PETRO: Brian, you spoke. I'm going to
3 open it up to the public, somebody from the
4 public or from the town would like to speak,
5 raise your hand, be recognized? Mr. Mayor?

6 MR. BELL: Just want to, as far as the tax
7 abatement, real estate tax abatement or whatever,
8 I didn't realize that, I thought it was for new
9 construction type thing, not for additions or so
10 on and so forth.

11 MR. PETRO: Improvements, so obviously, a--

12 MR. BELL: This is a beautiful facility, no
13 question about that, you know, we're always
14 looking for tax dollars and we, I don't know
15 whether you know in the past we've given PILOTS
16 to Steris and everything and it's hard on the
17 villages to exist being the state cuts back on
18 two percent tax cap and then PILOTS are given,
19 everything like that, and it's hard for us to
20 continue on if, you know, we keep on giving
21 abatements out so on.

22 MR. PETRO: Keep in mind though you have to
23 realize you're not going backwards, you're not
24 losing anything, you're going forward 10 percent
25 more the first year. And it's only on the

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 improvements, it's not on the land value, not on
3 special district charges, basically you're moving
4 forward immediately, you're getting more than you
5 would now, I don't know about you but 10 years
6 goes by pretty quick in general.

7 MR. LEENTJES: From my side of it it helps
8 me make the decision to grow. Without their
9 assistance, especially on this building when I
10 originally did the building, it's a struggle to
11 build in the environment that we have nowadays.
12 And that boost just makes it work cause there's a
13 curve to getting your feet on the ground learning
14 how to run a business, having that tax break
15 really makes it work. So otherwise, could go out
16 of business and, you know, so it's a big, big
17 help.

18 MR. PETRO: Yeah. And again as Laurie just
19 said, only on the expansion portion. You already
20 have it on this building.

21 MR. LEENTJES: Yes.

22 MS. VILLASUSO: It's almost done.

23 MR. LEENTJES: Almost.

24 MR. PETRO: Quick, 10 years goes very quick,
25 as I say, you were in high school a minute ago,

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 right?

3 MR. LEENTJES: Yeah.

4 MS. DANA: If I can say the addition here
5 and what they're putting in will increase the
6 amount of visitors coming into your municipality
7 twofold.

8 MR. ORR: That only increases the workload
9 on the village and not directly any tax revenue
10 that increases police, streets. Okay, where
11 again, the residential community here is paying
12 their full share on taxes. We're going to see an
13 immediate increase on usage of the area but a 10
14 year workup on taxes on an existing facility the
15 issue that I think the Mayor was trying to bring
16 forward is this is an existing building, an
17 existing business. We're going to give a PILOT
18 to an expansion, okay, it's not a new business,
19 we didn't enhance them to come here. So that's
20 the difficulty we have as a village looking at a
21 PILOT on an expansion.

22 MR. PETRO: The reverse of that is if they
23 don't build at all, you don't even get the 10
24 percent, you don't get the jobs.

25 MR. ORR: We're not going to see the

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 increase in traffic, okay, you know, and so on so
3 yeah, that's a great sales ploy you have that
4 you're not going to see, you're going to get an
5 increase of nothing, but we're still going to
6 have an increase in traffic, increase in use of
7 the village that we're not going to see an
8 increase of tax revenue. It's a great sales ploy
9 but it's not realistic.

10 MR. PETRO: I don't think it's a ploy. The
11 multiplier, what you're thinking about the
12 multiplier is very real and the people that Brian
13 brings to the area stop at Burger King, they can
14 stop in a store, buy a sweater, all those things
15 are a multiplier effect, it's hard to pinpoint,
16 you can't say exactly, you know.

17 MR. ORR: It's hard to say if he would cease
18 existing if he wasn't to have the expansion. I'm
19 all for Brian, we've had many talks, we work very
20 well together, okay. As another PILOT that you
21 gave for an expansion here in the village, okay,
22 I don't personally, and this is my personal, I
23 don't personally agree with PILOTS for
24 expansions. Okay, enhance a business to come to
25 an area, give them all the PILOT you want cause

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 it's new, okay, but to give them an expansion, I
3 personally have a problem.

4 MS. DANA: No matter how many jobs it
5 creates?

6 MR. ORR: That will bring me to my next
7 question, 21 jobs, is that full or part time?

8 MR. LEENTJES: It's full time equivalent.

9 MR. ORR: So it's part time jobs that
10 technically, basically, I know what you employ
11 which are college, the younger students which is
12 great by itself. But they're not going to go out
13 and buy a house, not going to pay taxes, they're
14 not paying for rent in the area so 21 jobs isn't
15 a true number until you really hear what it is.

16 MR. PETRO: Okay, everybody can think
17 differently, that's what makes the world go
18 around.

19 MR. ORR: I'm all for the sales tax
20 exemption, I think that's the greatest thing in
21 the world, especially for an expansion project.
22 Okay, where he's spending money to enhance his
23 business I think that's a great avenue for a
24 program to help the business.

25 MR. PETRO: Brian, what are you presently

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 paying a year on the building as it sits now in
3 taxes?

4 MR. LEENTJES: I actually don't know, it's a
5 lot, I don't know that number.

6 MR. PETRO: I'm going to put that down, a
7 lot, that's very specific. Okay, anybody else
8 like to speak for or against or comment? So
9 basically though as Mayor are you for this
10 project?

11 MR. BELL: I'm for the project in general
12 and everything like that I'm for the project on
13 the overall. I'm kind of against the tax breaks
14 that we've handed down in the past, stuff like
15 that. And when you're at the village board
16 meeting, I think I indicated that also and like I
17 say, I'm, nothing personal against Brian,
18 anything like that, his business he's done a
19 fantastic job here, he's created something with a
20 piece of property that was worthless, let's put
21 it that way and he's created a hell of a
22 business. Not him, the general overall for a
23 PILOT like we have a hard time existing and we
24 promote our industrial park, stuff like that
25 because, you know, that's where our revenues are,

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 the businesses, the industrial park, stuff like
3 that. And then when we give them our tax break
4 you say we get taxes on the land and stuff like
5 that, we're moving forward but it does cost us
6 extra money. And these businesses here and
7 they're for 10 years something like that they
8 don't contribute.

9 MR. PETRO: It's a partial tax abatement,
10 sometimes they read PILOT, no taxes for 10 years,
11 that's not true.

12 MR. BELL: Steris came through and they made
13 good on their village taxes, they're going to
14 come whole on that, that's fine. And sales tax,
15 I'm all for giving a break on sales tax but the
16 idea of the whole tax break to me it hurts the
17 villages and towns or whatever. And we're
18 confined to a two percent tax cap, you know,
19 we're there, we're getting tax breaks over here
20 and in the meantime, our workmen's comp is going
21 up, our insurance is going up, salaries, police
22 protection going up and you still got to get
23 money to operate.

24 MR. PETRO: Okay, yes?

25 MR. PATRICK: I believe the village tax

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 their income is based essentially on property
3 taxes?

4 MR. BELL: I didn't hear you.

5 MR. PATRICK: The village income is
6 basically property tax?

7 MR. BELL: Yeah, we, state aid, stuff like
8 that.

9 MR. PATRICK: But the expenses are to a good
10 degree based on the amount of usage and services
11 they provide. So, you know, if the increase in
12 business doesn't really make any improvements in
13 the short term in the village's income because
14 it's based on the property taxes, so they don't
15 get a share of the usage fees, they don't get a
16 share of sales tax which would be reflective of
17 the additional business. So that's like the
18 building inspector and the mayor have said that's
19 a big problem I think with this program as it
20 affects the local municipalities. As far as the
21 project goes, it's great to see a thriving
22 business in town.

23 MR. PETRO: Alright, you presently pay
24 70,000 a year in property tax, not bad for one
25 guy, right? That's combined.

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 MS. VILLASUSO: That's the PILOT payment for
3 last year and 20,000 will be the PILOT payment
4 for the first of that portion.

5 MR. LEENTJES: That's on one piece of
6 property.

7 MR. PETRO: Yeah, right, anybody else here?
8 Amanda, anything? Russ?

9 MR. GAENZLE: No.

10 MR. ORR: Just one more so you have it on
11 the record. The planning board has completed
12 SEQRA and he will have a certificate of
13 resolution on that hopefully by 3:00 today and
14 they have approved the project with some
15 conditions which were basically administrative.

16 MR. PETRO: That's helpful because we're
17 meeting tomorrow.

18 MR. GAENZLE: If I give you my e-mail can
19 you mail that to me?

20 MR. ORR: Yeah, it will cost you. No,
21 that's fine.

22 MR. PETRO: He wants a 10 year PILOT.

23 MR. ORR: No, we're not going to hold up on
24 the process, yeah, we can e-mail that to you.

25 MR. PETRO: Alright, very good, I think I'm

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 going to close the public hearing. What we're
3 going to do is report back to the board,
4 tomorrow is our meeting, you're on the agenda for
5 the final resolution. I don't see any
6 difficulties. And we hear what you say and we
7 understand all that. Of course it's our job to
8 try to do both, we want to make you happy and
9 make sure that the people reside in Orange County
10 somewhere, so we're just trying to do the best
11 that we can that we're tasked with.

12 MS. SMITH: Can I just ask a question?

13 Where is your authority to grant these?

14 MR. PETRO: Where does it come from? From
15 New York State.

16 MS. SMITH: It's a New York State program?

17 MR. PETRO: Yes, and always remember also
18 that in New York State it's also granted from New
19 York State, doesn't need the IDA to get a 485-b
20 exemption which is 27.5 percent. The 10 year
21 does double that 55 percent, but we could not
22 tell him he can't do that and it's free, it's
23 from the state, anybody can do that. So it's not
24 always as bad as it may sound because they're
25 entitled to a 485-b no matter what.

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 MS. SMITH: No, I get it.

3 MR. PETRO: I think that's it. Thank you
4 for coming.

5

6

7 (Proceedings concluded at 1:35 p.m.)

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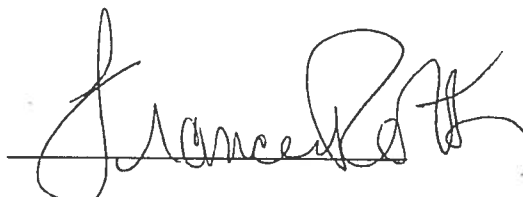
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C-E-R-T-I-F-I-C-A-T-I-O-N

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

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

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



FRANCES ROTH

ORIGINAL

ORANGE COUNTY INDUSTRIAL AGENCY
STATE OF NEW YORK

-----x

IN THE MATTER OF
WINDSOR HOSPITALITY, LLC

-----x

Town of New Windsor
Town Hall
555 Union Avenue
New Windsor New York
April 13, 2016
11:00 a.m.

B E F O R E: James Petro, Executive Director
Orange County IDA

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

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

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

Kelly Reilly, Client Services Specialist, OCIDA

1 WINDSOR HOSPITALITY, LLC

2 MR. PETRO: Alright, at this time, I'll open
3 up the public hearing for Windsor Hospitality,
4 LLC and we'll have the attorney read in the
5 Notice of Public Hearing. First let's do the
6 Pledge of Allegiance.

7 (Whereupon, the Pledge of Allegiance was
8 recited.)

9 MR. PETRO: Also, we have Franny, our
10 stenographer, Kelly's the secretary to the IDA
11 and Kevin, our attorney, I'm the Executive
12 Director of Orange County Industrial Development
13 Agency. And at this time, we have Chet Patel is
14 the owner of the project and he's in the
15 audience. At this time, we'll move forward and
16 Kevin can read in the Notice of Public Hearing.

17 MR. DOWD: Notice is hereby given that a
18 public hearing pursuant to Article 18-A of the
19 New York General Municipal Law will be held by
20 the Orange County Industrial Development Agency
21 on Wednesday, April 13, 2016, at 11:00 a.m. local
22 time, in the Town Meeting/Court Room at the New
23 Windsor Town Hall, 555 Union Avenue, New Windsor,
24 New York 12553 in connection with the following
25 matter: Windsor Hospitality, LLC, a New York

1 WINDSOR HOSPITALITY, LLC
2 limited liability company, for itself or on
3 behalf of an entity formed or to be formed has
4 submitted an application to the Agency requesting
5 the Agency's assistance with respect to a certain
6 project consisting of (i) the acquisition by the
7 Agency of a leasehold or other interest in a
8 portion of an approximately 6.8 acre plus or
9 minus acre parcel of land located at 915 Union
10 Avenue in the Town of New Windsor, Orange County,
11 New York, (ii) the demolition of an existing
12 building on the Land to make way for the
13 construction thereon of (A) an approximately
14 78,000 square foot Marriott Residence Inn hotel
15 comprised of approximately 102 units; and (B) an
16 up to 54,000 square foot hotel comprised of
17 approximately 85 units; and (iii) the acquisition
18 and installation in, on and around the
19 Improvements of certain items of equipment and
20 other tangible personal property including, but
21 not limited to, beds, dressers, carpeting,
22 tables, chairs, HVAC systems, plumbing and
23 electrical fixtures and elevators. The Agency
24 will acquire a leasehold interest in the Facility
25 and lease the Facility back to the Company. The

WINDSOR HOSPITALITY, LLC

1
2 Company will operate the Facility during the term
3 of the lease. At the end of the lease term, the
4 Agency's leasehold interest will be terminated.
5 The Agency contemplates that it will provide
6 financial assistance to the Company in the form
7 of sales and use tax exemptions, a mortgage
8 recording tax exemption and a real property tax
9 abatement, all consistent with the policies of
10 the Agency unless procedures for deviation are
11 complied with. A representative of the Agency
12 will be at the above-stated time and place to
13 present a copy of the Company's Project
14 Application and hear and accept written and oral
15 comments from all persons with views in favor of
16 or opposed to or otherwise relevant to the
17 proposed financial Assistance. Dated March 23,
18 2016 by the Orange County Industrial Development
19 Agency.

20 MR. PETRO: And obviously today this is for
21 informational purposes only, we take down
22 information and the board reads it and there's no
23 action to be taken today. The applicant is
24 seeking real property tax abatement of a 10 year
25 PILOT and mortgage tax exemptions and sales and

WINDSOR HOSPITALITY, LLC

1
2 use tax exemptions. And we have with us today
3 Mr. Patel, you can say anything you'd like. I'll
4 open it up to the public hearing and you're the
5 public. So basically, I know you went through
6 zoning board completely in the Town of New
7 Windsor, it's now being referred back to planning
8 board.

9 MR. PATEL: Exactly.

10 MR. PETRO: You're scheduling a public
11 hearing at the planning board?

12 MR. PATEL: Yes.

13 MR. PETRO: Everything went well at zoning
14 obviously you got all the variances you were
15 seeking.

16 MR. PATEL: That's correct.

17 MR. PETRO: Anything you want to add in?

18 MR. PATEL: Just wanted to see if you had
19 any questions about our project.

20 MR. PETRO: I know you have a shingle for
21 one already, you told me one you have somebody,
22 what's the brand name?

23 MR. PATEL: Residence Inn by Marriott.

24 MR. PETRO: Second one you didn't do yet?

25 MR. PATEL: We're looking to get the brand

1 WINDSOR HOSPITALITY, LLC

2 probably by June or July before we break ground.

3 MR. PETRO: How many total rooms?

4 MR. PATEL: A hundred two at the Residence
5 Inn, that's a definite and plus or minus 85 on
6 the second hotel.

7 MR. PETRO: Just under 200 rooms will be
8 added?

9 MR. PATEL: Won't be more than 200.

10 MR. PETRO: Full time employees?

11 MR. PATEL: On construction full time
12 equivalents about 90 on both hotels and permanent
13 about 43 on both hotels, plus or minus, we're
14 also retaining about 15 jobs at the current
15 hotel, Days Inn hotel.

16 MR. PETRO: Any other questions for the
17 applicant? Nobody else is here.

18 MR. DOWD: There's absolutely nothing.

19 MR. PETRO: Kelly, something you want to ask
20 the applicant?

21 MS. REILLY: No.

22 MR. PETRO: At this time, I'm going to close
23 the public hearing, thank you for coming and open
24 it back up to the board here. So this is
25 basically as simple as it gets, this is the way

WINDSOR HOSPITALITY, LLC

1
2 it goes. The minutes will reflect that no one
3 showed up to speak for or against your project so
4 there's no information to be collected because
5 nobody spoke. We'll report this back to the
6 board and once you're through the planning board
7 and get your SEQRA finalized and it's done then
8 we can put you on the agenda for final resolution
9 but we need to have the SEQRA closed out.

10 MR. PATEL: Thank you.

11 MR. PETRO: Thank you for coming. At this
12 time, I'll close the public hearing.

13
14
15 (Proceedings concluded at 11:07 a.m.)
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C-E-R-T-I-F-I-C-A-T-I-O-N

4

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

7

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

12

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

16

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18

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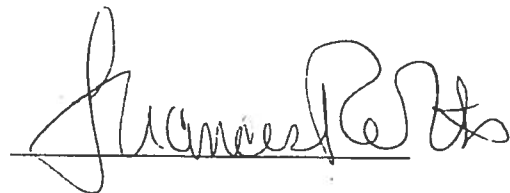
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A handwritten signature in cursive script, appearing to read "Frances Roth", written over a horizontal line.

FRANCES ROTH

April 25, 2016

BOARD OF DIRECTORS

Zoltan Fogel
VIA EMAIL

Robert T Armistead

Mary Ellen Rogulski

**Re: Freedom of Information Request
Camp LaGuardia Property Development**

John Steinberg Jr

Stephen Brescia

Dear Mr. Fogel:

Henry VanLeeuwen

This letter is in response to your request dated April 20, 2016, made pursuant to the NYS Freedom of Information Law.

Robert J Schreibers Sr

Your request is hereby denied, as the MOA has not been finalized or executed.


Edward A Diana

Please be advised you have the right to appeal this determination, in writing, to the attorney for the Orange County IDA within 30 days of the date of this letter.

Sincerely,

STAFF MEMBERS

James R Petro Jr


Laurie Villasuso
Chief Operating Officer
FOIL Officer
Orange County Industrial Development Agency

Laurie Villasuso

Joel Kleiman

Kevin T Dawd

cc. IDA Board of Directors

April 25, 2016

BOARD OF DIRECTORS

Robert T. Armistead
Chairman

Mary Ellen Rogulski
Vice Chairman

John Steinberg, Jr.
Member

Stephen Brescia
Member

Henry VanLeeuwen
Member

Robert J. Schreiber, Sr.
Member

Edward A. Diana
Member

L. Todd Diorio
President
Hudson Valley Building & Construction Trades Council
451 A Little Britain Rd
Newburgh, NY 12550

Re: Freedom of Information Request
Orange County IDA Code of Ethics

Dear Mr. Diorio:

This letter is in response to your request dated April 20, 2016, made pursuant to the NYS Freedom of Information Law.

Your request is hereby granted. Attached please find the Orange County IDA By Laws, in which the Code of Ethics can be found in Article III, Section I, Exhibit B. The Orange County Legislature adopted a revised Code of Ethics on 09-16-15, and the revised Code is also attached.

STAFF MEMBERS

James R. Petro, Jr.
Executive Director

Laurie Villasuso
Chief Operating Officer

Joel Kleiman
FOIL Officer

Kevin T. Dowd
FOIL Officer

Please be advised you have the right to appeal this determination, in writing, to the attorney for the Orange County IDA within 30 days of the date of this letter.

Sincerely,


Laurie Villasuso
Chief Operating Officer
FOIL Officer
Orange County Industrial Development Agency

cc. IDA Board of Directors