

**ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

County Government Center
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Robert Armistead, Chairman
Mary Ellen Rogulski, Vice Chairman
Russell O. Vernon, Second Vice Chairman
Stephen Brescia, Secretary
John Steinberg, Jr., Assistant Secretary
Henry VanLeeuwen
Robert J. Schreibeis, Sr.

Joel Kleiman, Chief Financial Officer
Kevin Dowd, Attorney
Laurie Villasuso, Administrative Assistant

Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on June 20, 2013 at 1:30 p.m. in the Orange County Business Accelerator, 4 Crotty Lane, New Windsor, New York, to consider and/or act upon the following:

Order of Business

- **Roll Call**
- **Approval of the minutes from May 15 and May 28 2013 meetings**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - Chairman's Report
 - OCBA Report
 - OCP Report
 - Discussions
 - Hudson Valley Film Commission – IDA Agent Status
 - Cornell Cooperative Extension – Project Expenditure
 - SUNY Orange
 - Center for Global Advanced Manufacturing
- **Resolutions**
 - Resolution to Amend Orange County Support Services Agreement
 - Resolution Declaring Position of Executive Director Vacant
 - Fairbanks, LLC – Final Resolution
 - Pharmline, Inc. – Final Resolution
 - Stewart, LLC – Inducement Resolution
 - Project X – Inducement Resolution
- **Such other and further business as may be presented**
- **Public Comments**
- **Executive Session**
- **Adjournment**

Dated: June 12, 2013

Stephen Brescia, Secretary

By: Robert Armistead, Chairman

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

May 15, 2013

A regular meeting of the Orange County Industrial Development Agency was convened in public session on May 15, 2013 at 3:00 P.M. at the Newburgh Armory Unity Center in Newburgh, New York.

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

PRESENT: Robert Armistead, Mary Ellen Rogulski, Stephen Brescia, Russell Vernon, Robert Schreibeis, Henry VanLeeuwen, John Steinberg

ABSENT: None

ALSO PRESENT: James O'Donnell – Executive Director
Kevin Dowd – Attorney
Joel Kleiman – CFO
Laurie Villasuso – Administrative Assistant
Maureen Halahan – Orange County Partnership
Larry Gottlieb - HVEDC
Brian Gates – HVEDC
Peter Malone – Orange County Business Accelerator
Deirdre Glenn – Newburgh Armory Unity Center
Bill Kaplan – Newburgh Armory Unity Center
Vincent Cozzolino – Center for Global Advanced Manufacturing
Carl Meyer – Center for Global Advanced Manufacturing
Bill Richards – SUNY Orange
David Kohn – SUNY Orange
John MacEnroe – HVTDC/Pharmline
Jim Kehoe – HVTDC/Pharmline
Michael Turturro – Vanacore, DeBenedictus CPA
Steve Graham - Pharmline
Ron Kossar – Attorney for Fairbanks Manufacturing, LLC
Barry Renow – Fairbanks Manufacturing, LLC
Jonathan Drapkin – Hudson Valley Pattern for Progress
Joseph Czajka – Hudson Valley Pattern for Progress
Virginia Moore – Daughters of the American Revolution
James Walsh – Times Herald Record

Chairman Armistead calls the meeting for the Orange County IDA, May 15, 2013 (Pledge of Allegiance is recited). Board consists of seven members. There is a quorum.

Review of the prior April 3 and May 13, 2013 meeting minutes. Motion made by VanLeeuwen, seconded by Schreibeis to approve the minutes as presented. Motion carries with all in favor.

Roll Call taken.

Financial Reports and/or Requests for Payment

Mr. Kleiman asks the members to refer to the Income and Expense summary dated April 2013. Year to Date, January through the end of April, the IDA has received \$129K and expended \$304K; expenses exceed revenues by \$175K. He reminds the Board that it's early in the year, and that additional funds expected this year will bring revenues in line with the expenses. He moves on to address the schedule of Bank Accounts. The IDA at this time has over \$7.8M, and the OCFC has just over \$690K. He advises the Board that some OCFC funds were moved out of the checking account and into a Money Market. The highest rate of return offered was 0.30%, through Orange County Trust. The final schedule

Mr. Kleiman asks the Board to review is the Revised Voucher report for the month of April. The IDA received \$5K, and is requesting approval to pay out \$103,890.

Motion made by VanLeeuwen, seconded by Steinberg, that the Board accepts the financial report and authorization of payments and vouchers for May 2013. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Chairman's Report

Chairman Armistead begins mentioning that the agenda is full today, and in the interest of moving the meeting along, has only two items to discuss. First and foremost, he thanks Mr. Kaplan for hosting the IDA meeting at the Armory. He compliments Mr. Kaplan and Ms. Glenn and the volunteers on their continued progress at the Armory.

Chairman Armistead also advises that last week the Orange County Partnership Brokers' Tour was held at the Newburgh Brewery. He notes that there was a huge turnout, and Mike Mullis gave an impressive presentation at the event. In his address, Mr. Mullis reminded the attendees that the environment is extremely competitive; Pennsylvania and New Jersey are working very hard to lure projects to their states, and Chairman Armistead commends the Board for doing an incredible job for bringing and keeping projects in Orange County.

Executive Director Report

Mr. O'Donnell begins by advising that he met with Steve Remillard of CPV to discuss their \$900M project, hoping to come closer to an agreement. Mr. O'Donnell will also sit with Mr. McCarey of Real Property to work out some figures, and will report back to the Board.

Moving on, Mr. O'Donnell advises that he received a phone call from Cornwall School District that Shamrock Creek has missed their payment, and he will engage the IDA's auditing firm to audit Shamrock Creek as a result.

He received a few calls from news agencies in Albany with regard to Breonics. He will follow up on the issue and get the Board copies of the articles. He reminds the Board that Breonics owes \$15K in cash and over \$233K in commercial debt.

He notes that he has met with Pharmline a few times, and they will be presenting their application later in the meeting. He adds that the project is a good retention and expansion in Florida.

Mediacom will soon open, and there will be a ribbon cutting in June to which the Board will be invited. Coach, a project that has been in the works since 2006, will also be opening in the summer and the Board will be invited to that ribbon cutting as well.

The County Executive and Mr. O'Donnell have also been working on the FAA project. They have been in touch with Congressmen and Senators, trying to get a meeting with the head of the FAA in Washington DC.

Mr. O'Donnell adds that Vincent Cozzolino and Dr. Richards are both in attendance to discuss the ongoing Advanced Manufacturing initiative.

He met with Pat Manning and John MacEnroe about the City of Newburgh development which aims to develop a business district in Newburgh, and will include the Waterfront.

He advises that he has met with Dawn Ansbro of the Orange County Arts Council, and that she and Senator Larkin had a meeting with Mr. Diamond regarding a large project with thousands of jobs. The project, he notes, will be a game-changer for Orange County.

Addressing the State Police Lab, Mr. O'Donnell advises that he has visited 3 superintendents over the last five years to keep the project on track, and discussed the project at every opportunity for the last three years. He is happy and proud to report that the ribbon cutting for the lab was a few weeks ago, and the State Police lab is staying local, saving jobs and countless hours of police protection by saving the police from driving to Albany to pick up or drop off evidence.

He also met with AJ Ross, with regard to using Tourism dollars for advertising at Stewart. He will have a conversation with Stewart airport about the cost of advertising; he believes Stewart is an excellent opportunity to advertise Orange County's business-friendly environment to people moving through Orange County. He also addresses the County's

contract with an agency who rents billboards. The County has access to five billboards for one month a year; one will be used for Orange County Office of Economic Development and one for the IDA.

Mr. O'Donnell attended the Chamber breakfast, Congressman Maloney spoke and Mr. O'Donnell approached him about the FAA project. Mr. O'Donnell also attended the Congressman's grand opening in Newburgh and discussed the FAA with him there, as well.

He also met with Central Hudson with regard with to the commercial kitchen project, and they have offered to put up money to help finance the project. In addition, he met with Dynergy in the Town of Newburgh. At the meeting, he and the County Executive helped to ensure the project's back taxes and penalties with Orange County were resolved. The IDA portion of the meeting was postponed, however, and will be addressed at a later date.

Lastly, he notes that Pattern for Progress is in attendance. They supplied Mr. O'Donnell with a report on the aging population and employment opportunities, which shows where the aging population will be in the next 30-40 years, and suggests where the IDA should look for attracting business. The report was aided by funds received from the IDA last year. This year, Pattern for Progress is looking to use their annual funds from the IDA in the amount of \$17K for a project concerning Newburgh. He explains that the City of Pittsburg suffered a drop in residents – 900K to 300K – and then came up with a 20 year program to revitalize their city. On a smaller scale, Pattern for Progress aims to find out exactly how they were successful and how the program worked, and then come up with a blueprint for the City of Newburgh to get the City back on the right track. Because the entire county's reputation is impacted by the reputation of the City of Newburgh, he notes that it is important to ensure the success of Newburgh.

Chairman Armistead mentions that Ms. Villasuso forwarded Comptroller DiNapoli's annual performance report, and suggests the members review it.

OCBA Report

Mr. Gates distributes a Business Accelerator Update packet to the Members as Mr. Gottlieb notes that the Business Accelerator Challenge was a huge success for the Accelerator. A win for the IDA, a win for the challenge winners, and a win for the Hudson Valley, the Business Challenge highlighted the fact that Orange County is the only local county with such a strong focus on business. He compliments the Board on their continued support of growing businesses.

With regard to the Challenge, HVEDC developed, planned and executed the challenge. Fourteen business plans were submitted, and Gold, Silver and Bronze winners were announced. The companies have moved into the Accelerator, and have brought a new energy with them. He adds that one Challenge Winner was Free Thought Design, a company who specializes in 3D Printing. Free Thought will also be featured at HVEDC's 3D printing event on May 30th.

Mr. Gottlieb moves onto address items he would recommend to the board. He believes that the Accelerator website could use a redesign. He and Mr. Somers of Focus Media would like to engage the public in what's happening behind the scenes of the Incubator. He would like more information updated on a regular basis, adding feeds and email blasts. In addition, they would like to add more video with current OCBA clients.

In terms of client attraction, Mr. Gottlieb believes that the next generation of OCBA clients will come directly from home-based businesses. In that vein, he proposes a marketing campaign into home-based businesses using direct mail and social media platforms. With that, there would be a potential for another business challenge, and the possibility of some seed money as a prize.

Mr. Malone advises that he visited the sites of two food incubators in Queens last Friday. The first stop was a self-sustaining, non-profit, 12K square foot facility, with over 170 clients serviced. Their model is to charge a small fee to utilize the space in the kitchen for startup food companies. The second location was a for-profit location, with flex space where a client would come in with their own equipment and set up their kitchens. Those companies are beyond the startup phase.

The operator of the non-profit location is from Newburgh and would be available to consult on the commercial kitchen process. She can help determine equipment and staffing, design layout, and projected revenue and expense for the first year. He adds that Orange County's commercial kitchen would only require about 2500 square feet of space.

Mr. Gates adds that the first joint Chamber event was a success: Four clients met with the Orange County Chamber and completed a needs assessment. Going forward, there will be another event about determining target audiences.

OCP Report

Ms. Halahan begins by complimenting Mr. Kaplan on the progress of the Newburgh Armory. She moves on to address the Broker Tour event, and notes that there were over 200 in attendance. She notes that some of the attendees were not members of the Orange County network, but through this most recent Broker Tour, relationships have been built with new companies. In addition, there were meetings set up throughout the day with Town Supervisors who would like to get their sites shovel ready.

Ms. Halahan moves on note that the project now known as UNFI is moving forward. She adds that she has met with the company, and they have advised that they want local people to get the construction jobs. The market is competitive, but local work is important.

In the interest of keeping her report brief, Ms. Halahan highlights her meeting with a broker who deals exclusively with Chinese relationships, investors and international business and has an incredible list of leads. Her meeting with him came as a result of the Broker Tour.

There are 4 brand new preliminary leads, and she will go into more detail at next month's meeting.

VanLeeuwen makes a motion to enter executive session pursuant to section 105(1)(f) of the open meetings law to discuss the employment history of a particular person, namely, the Executive Director of the IDA. Motion seconded by Schreibeis. All in favor.

Executive Session

The members discuss employment matters.

End of Executive Session

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

Daughters of the American Revolution – Project Expenditure

Having reviewed the Daughters of the American Revolution's request, the Governance Committee agreed to make an addendum to the original Project Expenditure as it did not include complete concrete and wood components of the floor, and recommends increasing the original project expenditure by \$4,000. The total project expenditure comes to \$6,000.

Motion made by Brescia, seconded by VanLeeuwen, to amend a previous authorization for a project expenditure to the Minisink Chapter of the National Society of the Daughters of the American Revolution to directly support the restoration of the Old Stone Schoolhouse in Goshen, NY, to include an additional \$4K expenditure for the same purpose. Motion carries with all in favor.

Center for Global Advanced Manufacturing

Mr. Cozzolino begins by noting that the Board will hear a presentation later in the meeting from Dr. Richards and the SUNY team; he wishes to advise the Board that the SUNY project is synergistic with the CGAM project. The SUNY project is geared more toward the soft skills of manufacturing, while Mr. Cozzolino's project deals with the harder manufacturing skills.

The process was started well over a year ago when the Orange County Industrial Development Agency initiated an Advanced Manufacturing effort, bringing in multiple resources to facilitate the project. On the Governor's Regional Economic Development Council, one of the initiatives is to help manufacturing grow in the Hudson Valley region. To that end, he and a team have created the Center for Global Advanced Manufacturing, a Not-for-Profit that enables the group to continue pushing this process forward. Today he will explain the Center, the unique role the Armory can play, and seeking funding for that role.

The Center for Global Advanced Manufacturing has put together a million dollars of equipment already located in a rented center near New Paltz. Any manufacturer in the Hudson Valley can come and borrow the equipment at no charge, like a library for manufacturing equipment. The other center in Rockland County is geared toward 3D printing.

The goal in the Armory is to have a machining and automation training program. While the SUNY Orange system teaches the classroom portion of manufacturing, the Armory would host the site where the students would learn to build. Automated equipment would be located in the center, and people of various stages of training will be learning how to use multiple machines. Partnering with the State University of New York Institute of Technology, they would also provide a classroom – virtually and live – with programs for the third and fourth years of a Bachelor's Degree program for Mechanical Engineering Technology and Electrical Engineering Technology.

In order to see the initiative come to life, CGAM would need to ready the machinist training center, install an elevator and rest room for handicapped access and repurpose one existing classroom. The total for these changes would come to roughly \$750K.

Ms. Halahan adds that she has experience with companies who have mentioned that they cannot find this type of specialized training locally, and have to send their employees to other states for this high-end training.

Ms. Rogulski asks if the target audience of the program is students pursuing a 2 year degree, and is advised that it may even be available to high school students.

Mr. Vernon asks Mr. Cozzolino to confirm that he is requesting \$750K from the IDA. He then asks Mr. Cozzolino to explain how much other money is going into the project, and the sources of the funds. Mr. Cozzolino advises that \$1M is coming from the state, and IBM has contributed machines and equipment that is hard to value, but extremely significant. The apps into NYS, the in-kind amount is about \$4M. Chairman Armistead asks whether or not local industry will support the employers being trained through the program. Mr. Cozzolino offers a number of examples of how badly these trained employees are needed.

[Mr. Brescia exits the meeting]

At the request of Mr. Vernon, Mr. Cozzolino explains how many classes they plan to offer.

The funding request is a one-time request; the program will be self-sustaining once off the ground.

Chairman Armistead requests more information, with more details about the construction costs, budget, plans and renderings. Mr. Cozzolino advises that he will provide the Board with further information.

SUNY Orange

Dr. Richards begins by following up on Mr. Cozzolino's comment about Advanced Manufacturing and Advanced Technology, and notes that we are approaching these challenges as a region. Six colleges form the Hudson Valley Education Consortium, and their goal is to be more efficient and effective in circumstances like this one. In this region, it is estimated that 600 technology and manufacturing jobs will go unfilled because the pool of qualified individuals is too shallow. The colleges were just awarded \$14.6M, which will have to go toward Advanced Manufacturing and Technology. While it is still unclear how the funds will be divided between the colleges, there is a pool of money already in line to fund the project. He believes that, as a consortium, they are well prepared to meet the challenges. He introduces David Kahn.

Mr. Kahn reviews the Mid-Hudson valley Manufacturing Sector Report with the Board. He begins by advising that the top three greatest challenges reported by Manufacturing companies were lack of available skilled employees, limited pool of qualified entry-level employees and employee's lack of personal responsibility and workplace behavior issues. The top three occupational areas facing the most severe employee shortages are machinists, manufacturing engineers and design engineers. SUNY collaborated with a number of organizations throughout the region on the report.

Based upon the report, it has been decided that the college will focus on the non-technical skills, such as work readiness education, math for manufacturing, and soft skills like leadership and communication. While the initial goal was to have a college program, through the research and follow up, it was decided that a credential program will best suit the needs of the region.

The total of their request of the IDA is \$12,500. Chairman Armistead advises that the Board should review the information provided and discuss it at the next Board meeting.

[Mr. Vernon exits the meeting]

Fairbanks Manufacturing, LLC – Initial Resolution

Mr. Kossar introduces Mr. Renow and Mr. Turturro, and goes on to advise the Board that, since January, Fairbanks has created 15 jobs, bringing their job total to 99, and upon completion of the buildout, Fairbanks will add another fifteen jobs. The expected payroll upon project completion is over \$3.7M. Because there was question about the average wage at the last meeting, he explains that both companies – Fairbanks and Medora – had split fiscal years. He provides the Board with the updated information and advises that the project's 3rd addition is under way, and once the IDA process is completed, they will close on their title.

Chairman Armistead confirms that Fairbanks is requesting a 10 year PILOT, Mortgage Tax Exemption and Sales Tax Exemption, and confirms that the Town of Walkill and Walkill IDA in support of the project.

Mr. Dowd reads the Fairbanks Manufacturing, LLC initial resolution aloud. Motion made by Schreiber, seconded by Rogulski. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Pharmline, Inc. – Initial Resolution

Mr. Kehoe of HVTDC begins by advising the board that, while he is here to represent Pharmline, he'd like the board to know that his organization serves a seven-county area, and notes if he had "busload of machinists, [he] could place them tomorrow." He reiterates that trained manufacturing employees are in constant demand.

Moving on, he explains to the Board that, about a year ago, the local company Pharmline was acquired by Stauber, a California-based company. Over the years, the FDA regulations for nutraceutical manufacturing have grown tighter. Since the acquisition, there has been an effort to make the Pharmline site CGMP (Current Good Manufacturing Practice) compliant. Engineering and architectural firms have been engaged to bring every aspect of the building up to date.

Mr. Graham explains that Stauber is a distributor of nutraceuticals and food ingredient raw materials, but does not have manufacturing facilities. If raw materials need to be processed, Stauber would outsource that process. Pharmline was one of the companies to which Stauber outsourced. Pre-acquisition, Stauber's demographics were 65% east coast, 35% west coast; Pharmline's demographics were 35% west coast, 65% east coast. In addition to manufacturing benefit, the acquisition was a good geographical fit for Stauber. Currently, however, the Pharmline facility is not CGMP compliant. They own the 65k square foot manufacturing site in Florida, and rent a 28k square foot building for warehousing. They have considered refurbishing another building, or building new, but decided to renovate the current facility, due to cost and time. Plans should be finalized by the end of May, with the hope of construction beginning in mid-July or August. The process will take about 9 months. The cost to upgrade will be approximately \$3M. There is a potential in the future to erect a 23k square foot warehouse on an additional parcel. He adds that Pharmline is seeking Sales Tax Exemption and PILOT.

Their existing employee base is 75, from PhDs to machinists to sanitation workers. With the renovation, they expect to increase their annual sales by 10% per year, and look to add 5-10 additional manufacturing jobs. Chairman Armistead asks him to comment on the average salary of those jobs, and is advised that the range could be from 25-40K. They would also bring roughly 10 construction jobs. Chairman Armistead reminds Mr. Graham that the IDA encourages local labor.

Mr. Dowd reads the Pharmline, Inc. initial resolution aloud. Motion made by Rogulski, seconded by Schreiber. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

Mr. Kaplan thanks the Orange County Industrial Development Agency Board Members for their continued support, and reminds the Members that the NAUC would not be here without the help of the IDA. He distributes the NAUC's Mission Statement and asks the Members to review it. He and Ms. Glenn give the Members an overview of the activities and program offered at the Armory.

Ms. Moore of the Daughters of the American Revolution takes a moment to thank the Members for their approval of the DAR project expenditure. She advises that the project is moving forward and thanks the members again.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by VanLeeuwen, seconded by Schreiber, the time being 5:29 p.m.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

May 28, 2013

A special meeting of the Orange County Industrial Development Agency was convened in public session on May 28, 2013 at 5:00 P.M. at the Orange County Emergency Services Center, in Goshen, 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 Schreiber, Henry VanLeeuwen, John Steinberg

ABSENT: Mary Ellen Rogulski, Russell Vernon

ALSO PRESENT: None

Chairman Armistead calls the special meeting for the Orange County IDA, May 28, 2013. Board consists of five members. There is a quorum.

Mr. Schreiber makes a motion to enter executive session pursuant to section 105(1)(f) of the open meetings law to discuss the employment history of a particular person, namely, the Executive Director of the IDA. Motion seconded by Mr. VanLeeuwen. All in favor.

Executive Session

The members discussed employment matters.

End of Executive Session

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

Such other and further business as may be presented

Chairman Armistead updates the Members on the IDA office relocation. In addition, he reviews New York State EDC conference he attended with Mr. Dowd and Mr. O'Donnell.

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Steinberg, seconded by Vernon, the time being 5:45 p.m.

Orange County Industrial Development Agency
Income and Expense Summary
May 2013

	May 13	Jan - May 13	Budget	\$ Over Budget
Income				
Closing Fees	\$ -	\$ 120,000	\$ 983,333	\$ (863,333)
Fees	\$ -	\$ -	\$ 455,000	\$ (455,000)
IDA Administrative Fees	\$ 2,500.00	\$ 5,000	\$ 5,000	\$ -
Interest Earnings	\$ 1,008.64	\$ 5,140	\$ 22,000	\$ (16,860)
Pass Thru Legal Fees	\$ 2,500.00	\$ 5,000	\$ 5,000	\$ -
Recovered Funds	\$ -	\$ -	\$ 255,000	\$ (255,000)
Total Income	\$ 6,008.64	\$ 135,140	\$ 1,725,333	\$ (1,590,193)
Expense				
Administrative Costs				
Advertising	\$ -	\$ -	\$ 1,500	\$ (1,500)
Auditors	\$ 1,748.75	\$ 13,249	\$ 13,000	\$ 249
Insurance	\$ -	\$ 5,896	\$ 7,000	\$ (1,104)
Mileage	\$ -	\$ -	\$ 500	\$ (500)
OCIDA Admin. Support	\$ -	\$ -	\$ 15,000	\$ (15,000)
Office Supplies & Expenses	\$ 29.82	\$ 1,563	\$ 5,000	\$ (3,437)
Secretary/Bookkeeper/Accountant	\$ 500.00	\$ 500	\$ 2,000	\$ (1,500)
Total Administrative Costs	\$ 2,278.57	\$ 21,208	\$ 44,000	\$ (22,792)
Agency Contribution Costs				
Hudson Valley Agribusiness Dvl.	\$ -	\$ -	\$ 25,000	\$ (25,000)
Hudson Valley Eco. Dev. Corp.	\$ -	\$ 20,000	\$ 20,000	\$ -
Hudson Valley Film Commission	\$ -	\$ -	\$ 10,000	\$ (10,000)
Hudson Valley Food & Beverage	\$ -	\$ -	\$ 20,000	\$ (20,000)
O.C. Empire Zone	\$ -	\$ -	\$ 5,000	\$ (5,000)
O.C. Foreign Trade Zone	\$ -	\$ -	\$ 25,000	\$ (25,000)
O.C. Partnership	\$ 50,000.00	\$ 50,000	\$ 200,000	\$ (150,000)
Orange County NY Arts Council	\$ 11,658.13	\$ 11,658	\$ 45,000	\$ (33,342)
Patterns for Progress	\$ -	\$ -	\$ 17,000	\$ (17,000)
PTAC	\$ 7,000.00	\$ 7,000	\$ 28,000	\$ (21,000)
Total Agency Contribution Costs	\$ 68,658.13	\$ 88,658	\$ 395,000	\$ (306,342)
Legal				
Legal, Pass Thru	\$ 2,500.00	\$ 5,000	\$ 5,000	\$ -
Legal - Other	\$ 4,699.50	\$ 15,242	\$ 92,000	\$ (76,759)
Total Legal	\$ 7,199.50	\$ 20,242	\$ 97,000	\$ (76,759)
Other Expenses				
Conferences, Seminars & Events	\$ 2,375.00	\$ 2,787	\$ 5,000	\$ (2,213)
Promotional Expenses	\$ 10,930.00	\$ 10,930	\$ 30,000	\$ (19,070)
Total Other Expenses	\$ 13,305.00	\$ 13,717	\$ 35,000	\$ (21,283)
Projects				
Projects	\$ 9,949.41	\$ 262,274	\$ 350,000	\$ (87,726)
Total Projects	\$ 9,949.41	\$ 262,274	\$ 350,000	\$ (87,726)
Total Expense	\$ 101,390.61	\$ 406,099	\$ 921,000	\$ (514,901)
Income Over(Under) Expense	\$ (95,381.97)	\$ (270,958)	\$ 804,333	\$ (2,105,094)

Orange County Industrial Development Agency
Banks Accounts/Certificates of Deposit/Money Markets Accounts
As of May 31, 2013

Listed in order of maturity date.

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

	Amount	% of total	rate		
Bank Account	Chase - checking	\$ 114,348	1%	bank account	0.10%
Certificates of Deposit	Orange County Trust	\$ 3,734,634	48%	CD	
Money Market	Orange County Trust	\$ 3,887,105	50%	MM	0.30%
	total	\$ 7,736,086	100%		

Orange County Funding Corporation
As of May 31, 2013

	Amount	% of total	rate		
	Chase - checking	\$ 100,333	14%	bank account	0.10%
	Orange County Trust	\$ 600,178	86%	MM	0.30%
	total	\$ 700,510	100%		

Orange County Business Accelerator
Profit & Loss YTD Comparison
May 2013

	May 13	Jan - May 13	Budget 2013
Ordinary Income/Expense			
Income			
Federal Tax Refund	0.00	293.12	
IDA Deposit	0.00	174,356.50	
Insurance Refund	0.00	13.23	
NYS Refund	22.26	22.26	100,000.00
Rent-Clients	4,560.44	27,386.84	38,400.00
Rent-HVEDC	3,145.98	15,730.50	
Rent Sponsors	1,333.34	4,000.02	2,000.00
Utility Reimbursement	204.25	1,252.55	4,000.00
Total Income	9,266.27	223,055.02	144,400.00
Expense			
Admin. Salary - Ent. Dev. Dir.	3,076.96	16,154.04	40,000.00
Admin. Salary - IDA Admin Asst	3,118.92	17,142.33	40,556.00
Admin. Salary -Admin. Assistant	3,072.00	15,360.00	39,900.00
Automobile Expense	53.02	340.39	10,000.00
Benefits			
403B	247.16	1,597.93	
MVP	1,201.36	5,706.48	
NYSDBL	12.72	66.78	
Total Benefits	1,461.24	7,371.19	21,000.00
Building Insurance			5,000.00
Building Rent	14,647.50	73,237.50	175,770.00
Building Utilities	904.80	8,176.52	20,000.00
Business Accelerator Management	6,000.00	30,000.00	72,000.00
Contingency			5,000.00
Common Area Maintenance	4,104.76	20,523.80	44,400.00
Dues and Subscriptions	0.00	1,246.34	3,500.00
Info Technology	421.09	6,259.11	30,000.00
Marketing/PR & Web	1,088.05	42,133.05	150,000.00
Office Cleaning	250.00	1,250.00	3,000.00
Office Supplies & Postage	315.41	3,687.15	9,000.00
Payroll Taxes & Fees			
FICA / Med	134.40	705.59	
FICA / SS	574.60	3,016.63	
FUTA	0.00	386.58	
Staff-Line Fee	162.20	851.55	
SUTA	0.00	382.56	
Workers Comp	69.52	364.98	
Total Payroll Taxes & Fees	940.72	5,707.89	12,000.00
Professional Fees	525.00	2,850.00	6,300.00
Rent Expense	250.00	250.00	
Revenue Reimbursement to IDA	0.00	16,608.90	
Security Deposit - Refund	250.00	250.00	
Travel, Lodging, Meals	0.00	478.28	10,000.00
Total Expense	40,479.47	269,026.49	697,426.00
Net Ordinary Income	-31,213.20	-45,971.47	
Other Income/Expense			
Other Income			
Interest Income	0.00	54.70	
Total Other Income	0.00	54.70	
Net Other Income	0.00	54.70	
Net Income	-31,213.20	-45,916.77	

**ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**
County Government Center
Goshen, New York 10924

Robert Armistead, Chairman
Mary Ellen Rogulski, Vice Chairman
Stephen Brescia, Secretary
John Steinberg, Jr., Assistant Secretary
Henry VanLeeuwen
Robert J. Schreibeis, Sr.
Russell O. Vernon

James O'Donnell, Executive Director
Joel Kleiman, Chief Financial Officer
Kevin Dowd, Attorney
Laurie Villasuso, Administrative Assistant

PROJECT EXPENDITURE APPLICATION FORM

ORGANIZATION

Name of Organization: Cornell University Cooperative Extension Orange County DATE: June 7, 2013

Project Title: Education Center and 4-H Park

Address: 18 Seward Ave. Suite 300

City/Zip Code: Middletown, NY 10940

Telephone: 845-344-1234 E-mail Address: ltj1@cornell.edu

Name of Contact: Lucy Joyce

Title: Executive Director

Specific amount requested from Orange County IDA: \$500,000.00

Have you received any Project Expenditures or other forms of assistance from the Orange County Industrial Development Agency in the past? Yes No Dates and amounts

Have you received any other assistance from other agencies or organizations? Yes No
If yes, please indicate from whom and the type or amount.

Yes, from multiple governments, agencies and organizations for ongoing educational programs. No, not yet, for this Education Center and 4-H Park project. We will, however, shortly be embarking on a major capital campaign.

ORGANIZATION BACKGROUND

The Cornell Cooperative Extension Association Orange County was formed in 1915 to extend the latest research-based agricultural protocols from Cornell University to the farmers of Orange County, and to provide faculty with feedback from the farmers. While the audiences have greatly expanded, this unprecedented partnership proved to be an effective way to put research-based knowledge to work resolving problems, and enhancing people's lives, businesses and communities. Currently, our educational programs focus on the major initiatives of *Agricultural Sustainability* – improve production of business management practices to increase profitability; *Enhancing the Environment* – promote environmental stewardship and sound decision making; *Strengthening Youth and Families* – empower youth and families to reach their fullest potential through experiential learning opportunities; *Economic Development* – utilize research-based resources and local partnerships to impact OC economic activity.

Please see the attached *2012 Annual Report* and shorter version, "*We're Your Information Connection*" flyer for more program education information.

DESCRIPTION OF PROJECT

The vision for the Education Center and 4-H Park is to serve as an educational, exhibition and marketing centerpiece for Orange County and Cornell Cooperative Extension. This multipurpose facility will host a wide range of educational activities, expositions, and community events. The park will provide a home for our 4-H Showcase consisting of competitions, exhibits, demonstrations and displays which were typically held at the Orange County Fair. The 4-H Program has enjoyed a long, successful history at the Orange County Fair; but as times have changed our opportunities have grown past what Cornell Cooperative Extension can offer at the existing fairgrounds. 4-H reaches every corner of our nation—from urban neighborhoods to suburban schoolyards to rural farming communities. Research shows that 4-H plays a special and vital role in the lives of young people. 4-H youth achieve higher marks in school, are more likely to attend college and contribute to their communities at higher rates than their peers. These findings are part of a landmark study from the 4-H Study of Positive Youth Development (PYD).

The green design, from infrastructure to buildings, will move Orange County to the fore front of sustainable development, increasing job opportunities for local professionals and contractors. The Park will increase visitors to Orange County. Not only will the Park be available for county groups and residents to use, but will also host many outside groups for various education programming. Horse show and livestock breeders associations will be invited and recruited to hold their events at this facility from April through November drawing large numbers of people from outside Orange County. Horse and livestock shows typically bring crowds who patronize eateries, drycleaners, hardware stores, tack shops, feed and livestock supply stores and other local businesses. When not in use as livestock stalls, the multipurpose pole barns will serve in functions as diverse as picnic pavilions, training centers, and festivals. Groups and organizations will be able to rent specific spaces or buildings or they may rent the entire site, depending on their need. In fact, it is an important part of our business plan to rent the facility to outside groups to generate the income necessary for site development and maintenance.

The project is planned in three construction phases with the largest, most important phase being the first since all major infrastructure needs to be in place prior to building construction. The CCEOC Board of Directors estimates the real costs of execution of this three phased vision to cost upwards of \$8 million. Our engineer has estimated the infrastructure expenses to be \$565,000.00 based on unit pricing. However, much of the materials and labor throughout construction will be donated as appropriate. Initially, the OC IDA monies would go directly towards the infrastructure (roads, electric, water, sewer, grading and stormwater management) necessary for us to use the park and further enhance our fund development efforts. Additional IDA funds may go towards building design and architecture. We have verbal commitments from many

farmers, landscapers, volunteers, 4-H Alumni and parents and others to both physically assist with construction as well as assist with fundraising.

See attached *Education Center and 4-H Park* brochure for more details.

BUDGET

Specific amount requested from the Orange County Industrial Development Agency: \$500,000.00

See attached sheet

TARGET POPULATIONS AND PERFORMANCE SITE(S)

Building on the strengths of Cornell Cooperative Extension Orange County, the development of an Education Center and 4-H Park will reach tens of thousands of additional youth and families each year on a year-round basis. The events held at the Park will feature positive youth development skills, family orientated experiences and agriculturally focused opportunities. The site for the Education Center and 4-H Park is in the Town of Mt. Hope adjacent to the current athletic fields and park. Increased traffic to this area will bring increased sales to local eating establishments and gas stations as well as other small businesses in the area. Other economic and public value benefits will be enjoyed by all Orange County residents. Many of the educational programs taking place at this site will focus on the needs of the business community. From training youth in Science, Technology, Engineering and Math (STEM) to helping them be more career and job ready, from providing new and experienced farmers with production and marketing assistance to guiding food processors through food safety procedures, much of the work conducted will respond to the needs of the business community. Most of the participants will drive to the park, however, for specific events and trainings, for example youth and afterschool or summer programs or those in urban areas and without means will be provided with transportation.

EVALUATION

Short Term:

- OC IDA funding will provide critical seed dollars establishing a foundation for infrastructure for this multi-purpose facility. Amount of grants and donations will be documented.
- The development of the Park will foster community mobilization of the agricultural, business, educational and environmental sectors and anyone interested in constructive uses of land. A listing of all collaborators will be maintained.
- Temporary employment during the construction phases with corresponding spike in local economy as documented by number of employees working at the site and interviews with local businesses.

Long Term:

- The Park will increase tourism in Western Orange County as determined through participant/spectator kiosk surveys.
- Measurements will be recorded from local and county governments as well as agencies to determine Park site use.
- Youth and adult livestock programming will expand as the number of participants in events increases.
- Long-term collaboration between agencies with interest in economic development and social capital increase as the youth develop more skills in STEM. More youth will embrace STEM academically and develop job readiness skills. Evaluation will consist of participation numbers, enrollment numbers and personal interviews.

RESOLUTION AUTHORIZING THE AMENDMENT OF THE IDA AGREEMENT
WITH ORANGE COUNTY FOR SUPPORT SERVICES 2013

MOTION BY:

SECONDED BY:

WHEREAS, by resolution dated January 16, 2013, the IDA authorized entering into an agreement with Orange County for support services of an office and use of certain administrative personnel, including the services of the IDA Executive Director (\$12,000) and Chief Financial Officer (\$3,000); and

WHEREAS, as of May 8, 2013, the County was no longer providing support services to the IDA relative to the services of the IDA Executive Director; and

WHEREAS, the IDA wishes to amend the agreement with the County to reflect the change in support services being rendered by the County to the IDA and to make adjustments in the amount to be paid to the County under the agreement.

NOW.THEREFORE, BE IT RESOLVED, that the IDA Attorney is authorized to prepare and the Chairman is authorized to execute an amended Agreement for Support Services between the IDA and the County of Orange in the amount of \$8,000 to be paid by the IDA to the County of Orange to reflect the changes in the services provided by the County to the IDA..

Vote:

Mr. Schreiberis

Ms. Rogulski

Mr. Vernon

Mr. Brescia

Mr. Van Leeuwen

Mr. Steinberg

Chairman Armistead

DATED: June 20, 2013

AYES; NAYS

RESOLUTION:

RESOLUTION DECLARING THE POSITION OF EXECUTIVE DIRECTOR VACANT, AUTHORIZING THE FORMATION OF AN AD HOC SEARCH COMMITTEE AND AUTHORIZING EXPENDITURES TO CONDUCT A SEARCH FOR A NEW EXECUTIVE DIRECTOR.

MOTION BY:

SECONDED BY:

WHEREAS, by resolution dated January 16, 2013, the IDA appointed James D. O'Donnell Executive Director and Acting Secretary in accordance with a certain contract between the IDA and Orange County; and

WHEREAS, as of May 8, 2013, James D. O'Donnell was no longer employed by the County and the County was no longer providing support services to the IDA relative to the services of the IDA Executive Director; and

WHEREAS, the IDA believes that in absence of the County providing personnel to perform the Executive Director services contemplated under the aforesaid contract, that the position of Executive Director is vacant; and

WHEREAS, the IDA wishes to begin a search for a new Executive Director, form an ad hoc Search Committee and authorize expenditures necessary to conduct such a search.

NOW.THEREFORE, BE IT RESOLVED, that the IDA declares the position of Executive Director vacant and authorizes the commencement of a search to find a qualified individual to fill the vacancy.

FURTHER RESOLVED, that the IDA authorizes the formation of an ad hoc committee of the Board consisting of Members _____, _____ and _____ who shall be charged with the tasks of reviewing of resumes, conducting initial interviews of prospective candidates and making recommendations to the entire IDA Board.

FURTHER RESOLVED, that the IDA authorizes such reasonable expenses as may be necessary and proper to conduct said search for a new Executive Director.

Vote:

Mr. Schreibeis

Mr. Van Leeuwen

Ms. Rogulski

Mr. Steinberg

Mr. Vernon

Chairman Armistead

Mr. Brescia

DATED: June 20, 2013

AYES; NAYS

RESOLUTION:

**ORANGE COUNTY
INDUSTRIAL
DEVELOPMENT
AGENCY**

**APPLICATION FOR
FINANCIAL ASSISTANCE**

STEWART FBI, LLC

(Applicant Name)

**James O'Donnell
Executive Director**

Office of Economic Development
Orange County Government Center
255 Main Street
Goshen, NY 10924
Tel: 845-291-2700
www.orangecountygov.com
jodonnell@orangecountygov.com

Updated August 2012

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: STEWART FBI, LLC

Mailing Address: 80 Curtwright Drive, Suite 5, Williamsville, NY 14221

Phone No.: 716-204-3570

Fax No.: 716-204-3565

Fed Id. No.: 46-1553729

Contact Person: Michael C. Huntress

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

Michael C. Huntress, Sole Member

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

Form of Entity

Corporation

Date of Incorporation: December 12, 2012
State of Incorporation: Delaware

Partnership

General _____ or Limited _____
Number of general partners _____
If applicable, number of limited partners _____

Date of formation _____
Jurisdiction of Formation _____

Limited Liability Company/Partnership (number of members 1)

Date of organization: _____
State of Organization: _____

Sole Proprietorship

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

APPLICANT'S COUNSEL

Name: Louis C. Fessard

Address: 80 Curtwright Drive, Suite 5, Williamsville, NY 14221

Phone No.: 716-204-3570

Fax No.: 716-204-3565

II. PROJECT INFORMATION

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

Stewart FBI, LLC will be leasing an approximately 2.4 acre vacant site from the Town of New Windsor at the Stewart International Airport to conduct a new 24,000 square foot Class-A office building.

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

None.

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

Acquest Development Company, LLC and VA Tomball, LLC

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

No.

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

No.

Project Data

1. Project site (land)

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

2.4 Acres

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

 Yes X No

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

None, Vacant Lot

(d) Indicate relationship to present user of project.

None

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

No.

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

Yes, one building consisting of approximately 24,000 square feet.

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

No.

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

Stewart FBI, LLC will be leasing the building. The building will be 100% used for office space.

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

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

100% of the proposed building will be leased to a single tenant.

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

The proposed facility will have energy efficient, state-of-the-art systems and equipment as well as specialized security items.

8. Has construction work on this project begun?

Complete the following

- | | | | |
|----------------------------|-------------------|-----------------|--------------------------|
| (a) site clearance | <u> </u> Yes | <u> X </u> No | <u> </u> % complete |
| (b) foundation | <u> </u> Yes | <u> X </u> No | <u> </u> % complete |
| (c) footings | <u> </u> Yes | <u> X </u> No | <u> </u> % complete |
| (d) steel | <u> </u> Yes | <u> X </u> No | <u> </u> % complete |
| (e) masonry work | <u> </u> Yes | <u> X </u> No | <u> </u> % complete |
| (f) other (describe below) | <u> </u> Yes | <u> X </u> No | <u> </u> % complete |

9. Will any of the funds borrowed through the Agency be used for refinancing?
No.

10. Is a purchaser for the bonds in place? No.

COST BENEFIT ANALYSIS:

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
Estimated Sales Tax Exemption	\$ <u>75,000</u>	New Jobs Created <u>10</u>
		Existing Jobs Retained <u>20</u>
Estimated Mortgage Tax Exemption	\$ <u>55,000</u>	Private Funds invested \$ <u>4.5 MM</u>
Estimated Property Tax Abatement	\$ <u>673,000</u>	Other Benefits <u> </u>
		Expected Yearly Payroll \$ <u>2.0 MM</u>
Estimated Interest Savings IRB Issue	\$ <u> </u>	Expected Gross Receipts \$ <u> </u>

B) Project Address: 347 Avenue of Americas, New Windsor, NY

Tax Map Number 3-1-53
(Section/Block/Lot)

Located in City of _____

Located in Town of New Windsor

Located in Village of _____

School District of Washingtonville

C) Are utilities on site?

Water X Electric X
Gas X Sanitary/Storm Sewer X

D) Present legal owner of the site Town of New Windsor
If other than from applicant, by what means will the site be acquired for this project? Long term land lease

E) Zoning of Project Site: Current: X Proposed: _____

F) Are any variances needed? No.

G) Principal use of project upon completion: Office Building.

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

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area of the State of New York? Yes.

Will the project result in the abandonment of one or more plants or facilities located in the State of New York? Vacation of an existing office will take place for expansion into this new facility.

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

	<u>Number of jobs created</u>	<u>Estimated Annual Salary Range</u>
Construction:	<u>115</u>	<u>\$ 30,000 to \$ 55,000</u>
Permanent:	<u>10</u>	<u>\$ 50,000 to \$ 80,000</u>
Retained:	<u>20</u>	<u>\$ 60,000 to \$ 100,000</u>

J) Financial Assistance being applied for:

	<u>Estimated Value</u>
<u>X</u> Real Property Tax Abatement	\$ TBD
<u>X</u> Mortgage Tax Exemption	\$ 55,000
<u>X</u> Sales and Use Tax Exemption	\$ 75,000
_____ Issuance by the Agency of Tax Exempt Bonds	\$ NA

K) **Project Costs (Estimates)**

Land	<u>1,250,000</u>
Building	<u>1,500,000</u>
Equipment	<u>1,500,000</u>
Soft costs	<u>250,000</u>
Other	<u> </u>
Total	<u>4,500,000</u>


III. **REPRESENTATIONS BY THE APPLICANT**

The Applicant understands and agrees with the Agency as follows:

- A. **Job Listings** In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.
- B. **First Consideration for Employment** In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. **Annual Sales Tax Fillings** In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.
- E. **Annual Employment Reports** The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

- F. Absence of Conflicts of Interest The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

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



(Applicant Signature)

Michael C. Huntress
(Name of Officer)

Managing Member
(Title)

This Application should be submitted to the Orange County Industrial Development Agency, c/o James O'Donnell, Executive Director, Orange County Government Center, 255 Main Street, Goshen, NY 10924 Tel: (845) 291-2700.

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

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

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

Attach the following Financial Information of the Company

1. Financial statements for last two fiscal years (unless included in company's Annual Reports).
2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years.
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.

4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company.

HOLD HARMLESS AGREEMENT

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


(Applicant Signature)

By: STEWART FBI, LLC

Name: Michael C. Huntress

Title: Managing Member


(Notary Public)

Sworn to before me this 11th day
of June, 2013

CINDY DAUMEN
Notary Public - State of New York
No. 01DA6169974
Qualified in Erie County
My Commission Expires July 2, 20

**FEE SCHEDULE FOR THE
ORANGE COUNTY IDA IS AS FOLLOWS:**

IDA

One-percent of the first \$2,000,000 plus one-half percent of amount above that, due at closing.*

Application Fee

\$5,000 non-refundable, due at application, broken down as follows:

IDA Administrative Fee: \$2,500

IDA Bond Counsel Fee: \$12,000-15,000 for straight lease transactions; fee for Tax-exempt transactions to be quoted depending on complexity of deal. \$2,500 due at application and balance due at closing for all deals.

NOTE: IDA reserves the right to seek additional IDA and Bond Counsel fees for exceptionally complex transactions.

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

*255 Main Street
Goshen, New York 10924*

*In the event that an applicant does not seek or does not qualify for the IDA's enhanced PILOT or the equivalent of the State's 485-b program, the fee will be a straight one-half percent (0.5%) of the IDA financing benefits provided to the project cost.

Labor Policy

Adopted May 18, 2006, it is the Labor Policy of the Orange County Industrial Development Agency to *encourage* all companies availing themselves of IDA benefits to use local workforce and pay prevailing wages on their project where possible.



1763

TOWN OF NEW WINDSOR

555 UNION AVENUE
NEW WINDSOR, NEW YORK 12553
PHONE/EFAX 845.563.4610

Office of the Town Supervisor

George A. Green

June 12, 2013

Mr. Robert Armistead, Chairman
Orange County Industrial Development Agency
Orange County Government Center
255 Main Street
Goshen, New York 10924

Re: Stewart FBI, LLC, New Windsor, New York


Dear Chairman Armistead:

The Town of New Windsor fully supports the building of the FBI regional facility at a location on Stewart property.

As you know, the redevelopment of the former Stewart Army Subpost lands is a major and important priority for the Town. We consider this prestigious facility as an important step towards the further development of our property at Stewart Airport into a premier business park.

It is our hope that the Orange County Industrial Development Agency will look to provide the requested financial incentives to permit this project to move forward.

Very truly yours,


George A. Green
Town Supervisor

cc: Maureen Halahan, Orange County Partnership



HUDSON VALLEY ECONOMIC
DEVELOPMENT NETWORK

4 Crotty Lane
Suite 100
New Windsor, NY 12553

phone: 845.220.2244
fax: 845.220-2247

May 15, 2013

Mr. James O'Donnell
Orange County IDA
255 Main Street
Goshen, NY 10924

Dear Jimmy,

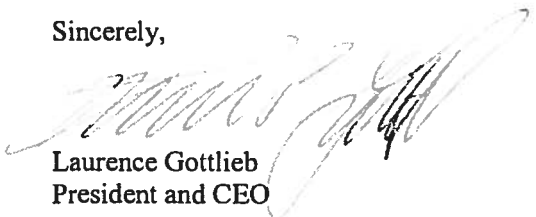
As we mentioned at our last board meeting, after two years, Hudson Valley Economic Development Corporations has finally received approval to launch the Hudson Valley Economic Development Network Inc. ("HVEDN"). This new entity is a 501c3 whose mission is to educate and promote leadership skills to entrepreneurs (and to the workforce) through the use of workshops, leadership forums and digital tools in order to increase Hudson Valley economic development. Hudson Valley Economic Development Corp. ("HVEDC") 501c6 will remain in place and continue its mission.

HVEDN will have the same board of directors as HVEDC and will continue to rely on your financial support, as well as grants and sponsorship dollars. Please review the dues schedule below for both organizations. **Your dues are not going up**, we are simply splitting dues between HVEDC & HVEDN to maximize what we are able to do within the two organizations.

HVEDN - August 2013	\$4,500
HVEDC - August 2013	\$15,500

Thank you again for continuing your support of HVEDC, and the newly minted HVEDN.

Sincerely,



Laurence Gottlieb
President and CEO

The Aging Population and Employment Opportunity

... a white paper ...

Submitted to:

Orange County Industrial Development Agency

Hudson Valley Pattern for Progress

Jonathan Drapkin, CEO and President

Joseph Czajka, Vice President, Research and Executive Director for the Center for Housing Solutions

Peter Fairweather, Fairweather Consulting

2013

I. Introduction

The Orange County Industrial Development Agency (IDA) is charged with job creation and retention. The goal of this white paper is to stimulate new areas of potential job growth within Orange County that takes into account the changing demographics and vitality of an increasingly older population. It is essential that this report be read by government officials, economic development professionals and the growing senior population as they increase in importance to the vitality of the Orange County economy.

The Hudson Valley Region is witnessing tremendous growth in the age cohort of 65 and over. According to the Cornell University Program on Applied Demographics, the Hudson Valley is projected to see an increase of 43.4% in the 65+ age cohort from 2010 to 2030. Orange County's population age 65+ will increase by 73.94% or 30,304 people during that period, representing almost 42% of the total projected county growth.

Hudson Valley Counties	2010	2030	# Increase	% Increase
Orange	40,985	71,289	30,304	73.94%
Sullivan	11,455	18,589	7,134	62.28%
Putnam	12,417	19,149	6,732	54.22%
Dutchess	40,304	61,657	21,353	52.98%
Ulster	27,044	40,836	13,792	51.00%
Columbia	11,463	17,286	5,823	50.80%
Rockland	41,841	58,779	16,938	40.48%
Greene	8,514	11,864	3,350	39.35%
Westchester	139,122	178,376	39,254	28.22%
Regional Totals	333,145	477,825	144,680	43.43%
New York State	2,617,943	3,618,598	1,000,655	38.2%

The aging of the Baby Boomer population in the United States will cause a demographic shift that will present both challenges and opportunities for the economy. Economic strain will be considerable for government sponsored programs such as Social Security, Medicaid, and Medicare. The growth of the nation's economy could be constrained by structural workforce shortages¹.

This study incorporates two generations, the Silent Generation and the Baby Boomers. The Silent Generation was born between 1925 and 1945. This generation has been defined and characterized as hard working, economically conscientious, and trusting of the government. While older, they remain very optimistic about the future and held a strong set of moral obligations. The Baby Boom Generation was born between 1946 and 1964. The Boomers have a strong set of ideals and traditions, and are regarded as being very family-oriented. They have been characterized as fearful of the future, relatively active and liberal socially but conservative politically.

There is additional evidence provided, on a national level, which projects the aging population to be growing at an astronomical rate. According to a recent report issued by the Urban Land Institute, "Housing in America: The Baby Boomers Turn 65", there are 8,000 new seniors (people turning 65) every day until 2020.

¹ Hormats, Robert D. 13 Feb 2012. "The Aging Population: Economic Growth and Global Competitiveness," Dip Note. U.S. Department of State Official Blog. http://blogs.state.gov/index.php/site/entry/aging_population.

The Leading Edge Boomers are the generation of people born between 1946 and 1955 and the first boomer group that turned 65 in 2011. The Leading Edge Boomers play a significant role in shaping the economy, defining numerous markets, creating substantial demand and establishing trends.

It is vital to the general well-being of Orange County that we understand how these trends are reflected locally and how the community may plan to respond to the resultant needs. To that end Pattern proposes, as a necessary step to identify and understand critical issues as it relates to economic development, the workforce and housing opportunity. This white paper will describe potential job opportunities and entrepreneurial opportunities that may arise in the context of an aging population. The following opportunities are highlighted through this work:

- **Health care and social services:** These traditional sectors are expected to offer more employment opportunities as the population ages. The opportunities will range from high-paying professional positions such as gerontologists, nurses and physicians to lower-paying direct care positions. The opportunities will be created by the opening, expansion or relocation of organizations using existing business models: nursing homes, assisted living facilities and medical clinics.
- **“Aging management” services:** As the population ages, new types of businesses will be required to meet the needs of an elderly population that has the potential to be healthier and more actively engaged than previous generations. These enterprises are creating new business models to provide services that help the elderly “age in place” in their homes, stay socially active in their community and remain in the workforce as they age. The opportunities will involve identifying and supporting entrepreneurs with new business models that emerge to meet these needs.
- **Retention Attraction of the affluent elderly:** The affluent elderly represent a source of economic and social capital to a community. A community’s ability to retain or attract this population has the potential to retain or increase tax ratable and employment opportunities.
- **Senior entrepreneurs:** Various research projects indicate that people over 55 are much more likely to be entrepreneurs than the general population. Communities should be prepared to recognize and support the senior entrepreneurs in their midst.
- **Adopting public policies to minimize the “fiscal drag” on an aging population.** For example, a community should maintain a variety of housing types to meet the needs of an aging population. Failing that, a disproportionate amount of the elderly might be required to rely upon nursing homes for housing, unnecessarily driving up the costs both to them and their community.

II. Identifying Economic Opportunities Associated With an Aging Population

Job Opportunities Associated with Serving the Needs of a Growing Elderly Population

A variety of analyses suggest that a range of job openings will expand as the Baby Boomer population enters retirement. As may be expected, many of these jobs will be in health care and affiliated fields. Jobs in hospitals, clinics, nursing homes, and residential care facilities are expected to grow as a large proportion of the population transitions into later life. The Department of Labor’s *Occupational Outlook*

Handbook projects that 3.2 million new jobs will open up between 2008 and 2018 within current health care jobs, and forecasts fast growth in home and personal care jobs².

In addition, new job opportunities are likely to emerge as a byproduct of the need for local communities to meet the needs of seniors. For example, employment in construction and housing development is likely to benefit from an increased need for senior housing. Likewise, counseling, educational, and development services for seniors will likely grow in response to a growing proportion of seniors preparing to be productive members of society. Associated employment opportunities might include employment counselors, driving instruction for seniors, and various other educational and training programs geared towards this population.

These trends are already evident in New York State and the Hudson Valley region. As seen in Table II.1, New York State Department of Labor job projections for the Hudson Valley foresee rapid growth in the health care and wellness industries. The top 25 occupations are arranged by the projected percent growth from 2008 to 2018. Of these top 25 jobs, the majority relate to health, including home health aides (35% growth), pharmacy technicians (31% growth), and physicians assistants (30% growth); and wellness, including self-enrichment educators (29% growth), fitness trainers and aerobics instructors (28% growth), and physical therapists (26% growth).

"Aging Management": Business and Entrepreneurial Opportunities

As the population ages, it is projected that an entire "aging management" industry will spring up to help seniors negotiate the transitions from work to active retirement and from active retirement to later years marked by diminishing capacities and increasing physical, psychological and social impairments. According to a recent study published by *Forbes* magazine, new jobs will be created in areas such as aiding seniors with maintenance of their homes, with finances, and with transportation needs. The *Forbes* study identified 12 sample jobs that it projected would be created to meet the specific needs of seniors. These included:

1. *Health Care Patient Advocate*- Assists in making medical decisions and helps solve insurance-coverage and billing issues.
2. *Fitness Trainer* - Caters specifically to seniors and modifies programs to adjust for physical limitations.
3. *Personal Home Health Care Aide* – Assists elderly at home with housekeeping, running errands, and helping with daily activities as needed including bathing and dressing.
4. *Audiologist* – Treats individuals with hearing loss and auditory problem.
5. *Senior Move Manager* – Helps seniors moving to senior housing or retirement community and assists with selling and donated unwanted items.
6. *Senior Real Estate Specialist* – Helps seniors to locate an appropriate housing option and to sell their homes.
7. *Aging in Place/ Home Modification Specialist* – Converts and adapts homes to become more "senior friendly," by adding railings and grab bars in the shower, for example.
8. *Retirement Coach* – Helps individuals in planning their lives for retirement.
9. *Dietician and Nutritionist* – Helps to plan a diet based on the specific health needs of the individual.

² Hannon, Kerry. 26 Nov 2011. "An Aging Population Means New Jobs," *Forbes*.
<http://www.forbes.com/sites/kerryhannon/2011/09/26/an-aging-population-means-new-jobs/4/>.

10. *Driver* – Transports seniors who can no longer drive.
11. *Recreational Therapist* – Sets up activities for seniors related to arts, music, and other recreational hobbies.
12. *Financial Planner* – Helps seniors in handling and managing investments and retirement accounts, etc.

The “new business of old age,” as described in a recent *New York Times* article will involve developing technologies and products that promote the health and productivity of seniors by increasing longevity, autonomy, and mobility³. According to the article, these types of products are currently part of a multibillion-dollar industry whose products range from furniture, railings, and other household devices that make daily activities easier, to technology that allows family members and doctors to remotely monitor the day to day activities of an elder family member or client.

The Mirabella, a \$130 million luxury high-rise senior complex in Portland, Oregon has incorporated some of this new technology, including wireless smart pillboxes that remind tenants to take their vitamins and medication daily and an anthropomorphic mobile robot equipped with a video screen which allows family members to chat with patients as they monitor them remotely. These types of innovations are part of a market which is expected to grow as the population ages.

Social media will likely be more widely used to foster connections between seniors and their communities and within senior homes. Intel has developed a prototype for a social-networking system for senior housing centers that has been widely acclaimed among senior users⁴. Such technology could be further developed to connect seniors to other services and opportunities outside senior homes and within their local communities. Other technologies that promote the autonomy and well-being of older adults include home monitoring technologies and products outfitted to improve the mobility of seniors in their homes and communities.

³ Singer, Natasha. 5 Feb 2011. “In a Graying Population, Business Opportunity,” *New York Times*. <http://www.nytimes.com/2011/02/06/business/06aging.html?pagewanted=all& r=0>.

⁴ Singer, Natasha. 5 Feb 2011. “In a Graying Population, Business Opportunity,” *New York Times*. <http://www.nytimes.com/2011/02/06/business/06aging.html?pagewanted=all& r=0>.

Healthcare and Senior Assistance:

Top Occupations in the Hudson Valley Region by Growth Projections

Title	Employment		Change		Annual Average		Openings
	2008	2018	level	percent	total	growth	replacement
<i>Home Health Aides</i>	13,640	18,430	4,790	35.10%	620	480	140
<i>Personal and Home Care Aides</i>	7,410	9,950	2,540	34.30%	340	250	90
<i>Pharmacy Technicians</i>	1,210	1,590	380	31.40%	70	40	30
<i>Physician Assistants</i>	540	700	160	29.60%	30	20	10
<i>Self-Enrichment Education Teachers</i>	2,880	3,700	820	28.50%	120	80	40
<i>Fitness Trainers and Aerobics Instructors</i>	3,380	4,320	940	27.80%	150	90	60
<i>Dental Hygienists</i>	1,530	1,940	410	26.80%	70	40	30
<i>Nursing, Psychiatric, and Home Health Aides</i>	26,280	33,050	6,770	25.80%	940	680	260
<i>Physical Therapists</i>	2,030	2,550	520	25.60%	80	50	30
<i>Medical Assistants</i>	1,800	2,260	460	25.60%	70	50	20
<i>Dental Assistants</i>	1,890	2,370	480	25.40%	90	50	40
<i>Medical Scientists, Except Epidemiologists</i>	920	1,150	230	25.00%	40	20	20
<i>Environmental Science and Protection Technicians, Including Health</i>	520	650	130	25.00%	30	10	20
<i>Physical Therapist Aides</i>	320	400	80	25.00%	20	10	10
<i>Healthcare Support Occupations</i>	34,600	42,860	8,260	23.90%	1,200	830	370
<i>Surgeons</i>	170	210	40	23.50%	0	0	0
<i>Environmental Scientists and Specialists, Including Health</i>	520	640	120	23.10%	30	10	20
<i>Physical Therapist Assistants</i>	490	600	110	22.40%	20	10	10
<i>Coaches and Scouts</i>	1,800	2,190	390	21.70%	70	40	30
<i>Substance Abuse and Behavioral Disorder Counselors</i>	1,360	1,650	290	21.30%	60	30	30
<i>Occupational Therapists</i>	1,190	1,430	240	20.20%	40	20	20
<i>Medical Secretaries</i>	1,040	1,250	210	20.20%	30	20	10
<i>Internists, General</i>	150	180	30	20.00%	0	0	0
<i>Compliance Officers, Except Agriculture, Construction, Health and Safety, and Transportation</i>	1,420	1,700	280	19.70%	50	30	20
<i>Licensed Practical and Licensed Vocational Nurses</i>	5,850	6,980	1,130	19.30%	290	110	180

Source: New York State Department of Labor
Table II.1: Hudson Valley Job Projections

Seniors as Entrepreneurs

As seniors become more autonomous and productive as a result of new products and technologies, later life entrepreneurship is a likely possibility for many of these seniors. Older Americans can have an advantage as entrepreneurs given that they are more likely than middle-aged and younger Americans to have a wealth of assets that include funds, credit, social capital (networks with family, friends, and colleagues), knowledge, experience, and skills necessary to create profitable and business venture. In

fact, according to Census data, entrepreneurship correlates positively with age⁵. In addition to entrepreneurial opportunities, part-time work opportunities for seniors should be considered as part of an economic development strategy for responding to the aging of the population, not only for the obvious gains of maintaining seniors within the workforce, but also for the human capital assets the older population is endowed with.

Research sponsored by the Kaufmann confirms this. In *The Coming Entrepreneurship Boom*, researcher Dane Spengler compiled the following trends on US entrepreneurs:

- In every single year from 1996 to 2007, Americans between the ages of 55 and 64 had a higher rate of entrepreneurial activity than those aged 20-34.
- For the entire period, the 55-64 group averaged a rate of entrepreneurial activity roughly one-third larger than their youngest counterparts.
- These trends seem likely to persist: in the Kauffman Firm Survey, a longitudinal survey of nearly 5,000 companies that began in 2004, two-thirds of firm founders are between the ages of 35 and 54.3
- Additionally, Kauffman research has revealed that the average age of the founders of technology companies in the United States is a surprisingly high 39—with twice as many over age 50 as under age 25.⁶

As conditions in the workplace continue to change, it is expected that the entrepreneurship rates for the younger population will begin to match those over 45. Nonetheless, the evidence suggests that an aging population will bring with it an increase in entrepreneurship.

Retiree Retention/ Attraction

In the post-war era, the senior population became bifurcated. Affluent seniors sought out places to retire that had both the amenities and lower living costs that enabled them to secure a standard of living close to (and sometimes even above) their pre-retirement levels. Less-affluent or less healthy seniors often stayed in the communities in which they aged, some becoming dependent on the community for support or service through church groups, not-for-profit organizations or government.

Since the elderly population was a smaller percentage of the total population, this segregation of the elderly into populations of "haves and "have nots" did not affect the economic condition of the community overall. However, with the growth of the senior population anticipated in the next decade and beyond, communities should consider strategies for both attracting and/or retaining affluent retirees that can contribute wealth to the community and retaining the local retirees who, as described previously, may too be able to contribute to the local economy.

Retiree attraction is a desirable strategy for several reasons. Migrating retirees tend to be better educated, healthier, and more financially well off than retirees that don't move. Furthermore, migrating retirees bring assets into their new community (i.e. bank accounts, boats, etc.), infuse fixed income streams into the local economy, provided by pensions, social security, Medicare payments, etc., expand the local tax base, and expand employment in a variety of sectors including health care, real estate and construction, recreation and entertainment, financial services, retail, and travel services. In addition, given the long term prospects for little or no population growth in many Hudson Valley communities,

⁵ Rogoff, Edward G. 2008. "The Issues and Opportunities of Entrepreneurship After Age 50," Occasional Papers. AARP Office of Academic Affairs.

⁶ Dane Stangler. *The Coming Entrepreneurship Boom*, Ewing Marion Kauffman Foundation, June 2009, p. 4.

the retention of the active, affluent senior population becomes increasingly important to the vitality of the entire region.

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Both retiree attraction and retention will help strengthen a community's economy and quality of life. In addition to the assets retirees possess and the service and retail sectors they can expand, the factor that differentiates a retiree's economic contribution is that a retiree's income is essentially generated from pensions, transfer payments, and other income streams that do not depend on employment or economic conditions. Thus, a retiree's principal economic contribution may be simply providing economic stability for a local community. Furthermore, because a retiree's income is independent of employment, retirees have a greater amount of time to contribute to improve the quality of life of a community through volunteering, offering expertise and knowledge, and through charitable giving⁷.

III. Retaining/Attracting Affluent Seniors: Structuring a Senior Friendly Environment for Economic Development

The increasing population of seniors and retirees is an inevitable phenomenon that is already affecting the economy and local communities. Though this demographic shift is inescapable communities have the power to choose *how* to prepare for it in a way that maximizes the value of seniors in communities and minimizes the potential negative impacts.

Capitalizing on the economic dividends of the current demographic transition requires an economic development plan that focuses on changing attitudes and perceptions towards the value of seniors while restructuring communities to become more "senior friendly" and offer services, products, and amenities that promote and support the wellness and productivity of seniors. According to MIT's *Age Lab*, a multi-disciplinary team of researchers, business partners, and universities dedicated to inventing ways to promote the longevity and productivity of elders through innovative products and technologies, successful aging for individuals is dependent on the successful implementation of a framework which consists of three interdependent components: *institutional innovation, information, and infrastructure*⁸.

Institutional Innovation

Institutional innovation involves changing the policies of both governments and businesses in response to the issues and opportunities associated with an aging of the population. Businesses must consider how they engage older consumers and develop services and products that are of value to them. Governments must consider how their policies affect the increasing number of seniors, especially with respect to social services and programs, workforce development and deployment, and environmental sustainability. Many private goods and public services will need to be re-invented to respond to the needs of an aging population. The ultimate success of these policies will require extensive collaboration between government and business.

Private Sector Innovation

⁷ Eastern Carolina Council. 2008. "Retiree Attraction as Economic Development," *North Carolina's Eastern Region*.

⁸ Age Lab. 2012. "Successful Aging as a Complex System." <http://agelab.mit.edu/successful-aging-complex-system>.

Research by the AARP Office of Academic Affairs identifies businesses that are successful in marketing to the emerging senior market “New Aging Enterprises.” These firms have succeeded by appropriately responding to the needs of seniors and the changes they have wrought in such consumer markets as housing, hospitality, and travel. Moreover, these businesses promote the wellness and productivity of seniors, opening opportunities for work and volunteering for the senior population. Examples of such enterprises include, *The Center for Healthy Aging*, *Erikson Retirement Communities*, *Curves*, *Idealist.Org*, *Experience Corps*, and *University of the Third Age*⁹.

AARP describes eleven characteristics of successful “New Aging Enterprises:”

1. *Positive Aging* – New Aging Enterprises promote the strengths of seniors and see them as valuable members of society.
2. *Age-Affirmative Branding*- New Aging Enterprises emphasize lifelong learning and promote the value of seniors in the workforce.
3. *Ageless Marketing* – Ageless Successful marketing to seniors is careful not to focus exclusively on “old people” as the target market segment, but to cast the marketing in a more inclusive style.
4. *Social Capital* – New Aging Enterprises tend to rely more heavily on “viral marketing” and promoting local ties within the community than more conventional marketing and advertising techniques. This in part builds a stronger emphasis on trust and customer loyalty.
5. *Appropriate Scale* – New Aging Enterprises promote an atmosphere of small-scale intimacy and emphasize close communication with clientele.
6. *Integrity of Mission and Values* – New Aging Enterprises adhere to their original mission and values and continuously help to promote the public’s understanding of aging.
7. *Product Innovation* – New Aging Enterprises are responsive to the needs of the growing older population and add new product lines to meet their needs. For example, Intel and General Electric started a joint venture called *Intel-GE Care Innovations* with the goal of developing technologies that promote the autonomy of elders, such as the *Intel Health Guide*, a home monitoring system that allows doctors to manage a patient’s care remotely¹⁰.
8. *Mutual Aid & Community-Building* – These enterprises focus not just on the well-being of individual elders but also emphasize the important connections between elders as well as the connections with the community as a whole.

Industries are slowly coming around to the idea of becoming “age friendly” in a manner similar to way in which companies have accepted the need to become more environmentally friendly. In January of 2011, a group including Bank of America, Merrill Lynch, Johnson and Johnson, Pfizer, and Aegon formed the *Global Coalition on Aging* to brainstorm ways to help governments and industries respond to the age boom¹¹. Understanding and appropriately responding to this demographic change will be essential for businesses to succeed in future markets.

Public Sector Innovation

⁹ Moody, Harry R. 2008. “The New Aging Enterprise,” Occasional Papers. AARP Office of Academic Affairs.

¹⁰ Singer, Natasha. 5 Feb 2011. “In a Graying Population, Business Opportunity,” *New York Times*. <http://www.nytimes.com/2011/02/06/business/06aging.html?pagewanted=all&r=0>.

¹¹ Singer, Natasha. 5 Feb 2011. “In a Graying Population, Business Opportunity,” *New York Times*. <http://www.nytimes.com/2011/02/06/business/06aging.html?pagewanted=all&r=0>.

The extent to which communities are seen as senior-friendly depends on the extent to which seniors are provided with access to educational, wellness, and counseling resources in order to engage seniors both mentally and physically in their environments and supporting them as positive contributors to their communities. The following is a list of examples of needed services responding to the criteria developed by "The Maturing of America" survey¹²:

Health & Wellness Programs and Services

- A range of health care services necessary to meet a variety of needs including gerontological services
- Access to prescription drug programs
- Transportation for elders to medical appointments
- Wellness programs including preventative screenings and immunizations
- Nutrition education on topics such as heart-healthy diets and drug interactions
- Exercise classes customized to fit the needs and abilities of seniors
- Parks with safe and accessible walking and biking paths

Aging and Human Services Programs

- In-home support services that allow seniors to live independently (home care, aid with home maintenance, etc.)
- One-stop central location for seniors to get information on all services available to them
- Communal meals in senior/retirement homes
- Meals delivered to homes

Redesigned Local Policies & Regulations

- Public Safety Programs or Services: elder abuse/neglect identification and prevention programs, neighborhood watch programs, evacuation plans specific to the needs of elders, and emergency energy assistance programs, all of which may require specialized training for staff in working with elders
- Land-use Regulations: zoning laws that support the development of senior communities, building codes that address mobility and wheelchair accessibility, subdivision regulations that promote allow shared housing and accessory apartments as needed, redesign of street signs, sidewalks, and street crossings, and other development regulations that support walkability and mass transit.
- Implementation of public transportation catered to seniors and discounted fares for taxis and buses¹³.
- Housing Programs: creation of housing programs to assist seniors to age in place, establish Village to Village and encourage Naturally Occurring Retirement Communities (NORC)

Workforce Development

- Job retraining opportunities for seniors
- Flexible job opportunities for seniors, i.e. part-time

¹² MetLife Foundation, et al. "The Maturing of America: Getting Communities on track for an Aging Population." <http://www.n4a.org/pdf/MOAFinalReport.pdf>.

¹³ MetLife Foundation, et al. "The Maturing of America: Getting Communities on track for an Aging Population." <http://www.n4a.org/pdf/MOAFinalReport.pdf>.

- Discounted classes for seniors at local colleges and universities

Civic Engagement Programs

- Civic engagement and volunteering opportunities for seniors
- Senior Corps programs such as RSVP, Senior Companions, and Foster Grandparents

IV. Long Term Care Costs and Alternatives

One of the problems facing a society with an aging population is the cost of housing the population as its needs for care increase with age. Traditionally, many communities have relied upon nursing homes to meet the long-term care needs of their aging populations. While this is an appropriate strategy for meeting the needs of certain segments of the aging population, if such institutions are the only option for elderly long-term care, they can negatively impact County government finances given that at least a portion of those in nursing home care will be on Medicaid. In New York State, county governments are responsible for a portion of Medicaid costs and many have sought ways to no longer provide nursing homes, finding them too expensive and that the private sector can better fill this need.

Cost of Long Term Care: Nursing Homes versus Assisted Living in Orange County

The following analysis compares the costs of nursing home care to the costs of assisted living care in New York State based on annual cost averages from MetLife's 2011 "Market Survey of Long Term Care Costs"¹⁴. The associated costs for Orange County are estimated using data from Orange County Department of Social Services Annual Report for 2010 on the proportion of Medicaid costs the County assumes for these services. Additionally, three scenarios are presented in which various percentages of the population of seniors within nursing homes in Orange County are assigned instead to assisted living facilities and the savings associated with this change are estimated. Note: While nursing home care will continue to be an important component of elder care, it is equally important that the County make effective use of all options, ranging from institutional care to home-based programs depending on the need and means of the consumer.

Table IV.1 below shows 2011 average annual costs per individual for a semi-private room in a nursing home, a private room in a nursing home, and a room in an assisted living facility. Averages for New York State were based on data from the MetLife survey for the state which excluded New York City, Rochester, and Syracuse in order to get an estimate which is most congruous to costs for Orange County

¹⁴ MetLife Mature Market Institute. 2012. "Market Study of Long Term Care Costs: The 2012 Metlife Market Survey of Nursing Home, Assisted Living, Adult Day Services, and Home Care Costs." <http://www.metlife.com/assets/cao/mmi/publications/studies/2012/studies/mmi-2012-market-survey-long-term-care-costs.pdf>.

Table IV.1: Annual Care Costs in New York

Annual Care Costs In New York*			
	Nursing Home		Assisted Living
	Semi-Private Room	Private Room	
2011**	\$118,990	\$124,100	\$46,404

* Costs based on averages of New York State excluding New York City, Rochester, and Syracuse

**Annual Nursing Home costs calculated by multiplying by 365 days. Annual Assisted Living Costs calculated by multiplying by 12 months

Source: MetLife Market Survey of Long Term Care Costs 2011 (pgs. 23,31)

<http://www.metlife.com/assets/cao/mmi/publications/studies/2012/studies/mmi-2012-market-survey-long-term-care-costs.pdf>

In addition, for the purposes of this analysis, the population of seniors within nursing homes was assumed to all reside within semi-private rooms in order to make the most conservative estimate of costs.

The population of seniors within nursing home facilities in Orange County in 2010 was 1,535, according to the U.S. Census Bureau. Using the average annual costs presented in Table 1 for residency in a semi-private room, the total costs for this population in nursing homes is \$182,649,650 (see Table IV.2). Conversely, if this same population resided within an assisted living facility, the costs would amount to \$71,230,140, suggesting an estimated saving of \$111,419,510. According to the Orange County Department of Social Services, Orange County pays 8.66% of these costs. The County paid an estimated \$15,817,460 for the population within nursing homes, and would theoretically pay \$6,168,530 if that same population was in assisted living care (a saving of \$9,648,930).

In scenario 1, 5% of the Orange County population within nursing homes is hypothetically moved to an assisted living facility (see Table IV.3). The total cost to the County for supporting 5% of the population within assisted living facilities and 95% within nursing homes is \$15,335,013. This scenario provides an estimated savings of \$482,446 with respect to a scenario in which 100% of the nursing home population remains in nursing homes.

In the second scenario, 10% of the 1,535 seniors within nursing homes in Orange County are moved within assisted living facilities and 90% stay in nursing homes (see Table IV.4). This scenario results in an estimated annual savings for the County of \$964,893.

Table IV.5 shows the results of the third scenario in which 20% of all Orange County seniors within nursing homes are moved to assisted living facilities and 80% remain within nursing homes. In this last scenario, the County spends an approximate total of \$14 million and saves \$1,929,786.

Table IV.2: Orange County Care Costs

Orange County Care Costs

Group Quarters population In Nursing Home Facility 2010* :	1,535
Average Annual Cost of Nursing Home Population (Semi-Private Room):	\$182,649,650
Average Annual Cost of Assisted Living Population:	\$71,230,140
Average Annual Savings: Assisted Living versus Nursing Home (Semi-Private Room):	\$111,419,510
Average Annual Cost of Nursing Home Population (Semi-Private Room) for Orange County (8.66%**):	\$15,817,460
Average Annual Cost of Assisted Living Population for Orange County (8.66%**):	\$6,168,530
Average Annual Savings: Assisted Living versus Nursing Home (Semi-Private Room) for Orange County (8.66%**):	\$9,648,930

*Source: U.S. Census Bureau, 2010

** Source: Orange County Department of Social Services 2010 Annual Report, pg.39

Table IV.3: Orange County Care Costs: Scenario 1

Orange County Care Costs: Scenario 1 (5% Assisted Living Population)

Group Quarters population In Nursing Home Facility 2010* :	1,535
5% of Nursing Home Population going to Assisted Living:	77
Population remaining in Nursing Home (95%):	1,458
Average Annual Cost of 95% Nursing Home Population (Semi-Private Room):	\$173,517,168
Average Annual Cost of 5% Assisted Living Population :	\$3,561,507
Total Annual Costs (95% Nursing Home + 5% Assisted Living):	\$177,078,675
Average Annual Savings (versus 100% Nursing Home Population):	\$5,570,976
Total Annual Costs (95% Nursing Home + 5% Assisted Living) for Orange County (8.66% of NYS Costs **):	\$15,335,013
Average Annual Savings for Orange County (8.66% of NYS Costs**):	\$482,446

*Source: U.S. Census Bureau, 2010

** Source: Orange County Department of Social Services 2010 Annual Report, pg.39

Table IV.4 Orange County Care Costs: Scenario 2

Orange County Care Costs: Scenario 2 (10% Assisted Living Population)

Group Quarters population	
In Nursing Home Facility 2010* :	1,535
10% of Nursing Home Population going to Assited Living:	154
Population remaining in Nursing Home (90%):	1,382
Average Annual Cost of 90% Nursing Home Population (Semi-Private Room):	\$164,384,685
Average Annual Cost of 10% Assisted Living Population :	\$7,123,014
Total Annual Costs (90% Nursing Home + 10% Assisted Living):	\$171,507,699
Average Annual Savings (versus 100% Nursing Home Population):	\$11,141,951
Total Annual Costs (90% Nursing Home + 10% Assisted Living) for Orange County (8.66% of NYS Costs **):	\$14,852,567
Average Annual Savings for Orange County (8.66% of NYS Costs**):	\$964,893

*Source: U.S. Census Bureau, 2010

** Source: Orange County Department of Social Services 2010 Annual Report, pg.39

Table IV.5 Orange County Care Costs: Scenario 3

Orange County: Scenario 3 (20% Assisted Living Population)

Group Quarters population	
In Nursing Home Facility 2010* :	1,535
20% of Nursing Home Population going to Assited Living:	307
Population remaining in Nursing Home (80%):	1,228
Average Annual Cost of 80% Nursing Home Population (Semi-Private Room):	\$146,119,720
Average Annual Cost of 20% Assisted Living Population :	\$14,246,028
Total Annual Costs (80% Nursing Home + 20% Assisted Living):	\$160,365,748
Average Annual Savings (versus 100% Nursing Home Population):	\$22,283,902
Total Annual Costs (80% Nursing Home + 20% Assisted Living) for Orange County (8.66% of NYS Costs **):	\$13,887,674
Average Annual Savings for Orange County (8.66% of NYS Costs**):	\$1,929,786

*Source: U.S. Census Bureau, 2010

** Source: Orange County Department of Social Services 2010 Annual Report

Due to the explosion in growth of the aging population it will take multiple strategies to care for this population. A nursing home can provide a setting and range of services desirable in a free market economy. To other consumers, assisted living may be the best alternative, while still others may chose aging in place. We recognize there can be no one solution with each having its own pros and cons.

V. Housing Alternatives

The age cohort of 65+ is projected to grow rapidly over the next 20 years. However, that growth is expected to slow between 2030 and 2040. The total population of the Hudson Valley age 65+ is projected to be 479,302 by 2040. Between 2030 and 2040 the region is projected to increase by only 1,477, or .31%. In fact, Columbia, Dutchess, Greene, Putnam, Sullivan and Ulster County will all see declines and only Orange, Rockland and Westchester will see some increases. Therefore, if senior housing is built, designs, codes and land use policy must remain flexible to meet the needs of other age cohorts as the demographics change again. For example, deed restrictions on senior housing may become a serious challenge once the demand flattens.

The current demand for senior rental housing, especially for low income seniors, is evidenced by lengthy waiting lists. Orange County currently has an estimated 3,423 affordable senior units, which are scattered throughout the county, primarily located in Middletown, Newburgh, Port Jervis and the smaller villages. Based upon the projections of seniors over the next 20 to 30 years, this will not meet the needs of this age cohort.

The demographic shifts that were identified above and in the introduction of this paper may influence future housing and economic development challenges and will lead to potential opportunities. As the region ages there will be more demands for alternative housing options. Some will demand to remain in their homes, "Aging in Place," while others will seek housing with relatives or downsize from single family homes to an apartment. In any case, these housing options will provide opportunities in construction, home improvement and a variety of service industries.

There is a symbiotic relationship between housing and economic development. The creation of housing whether new single family homes, multifamily complexes or home improvement, generates local jobs and provides a positive economic benefit in the community. Housing development creates a variety of jobs from the design stage through occupancy and beyond. The pre-development stages of housing consist of jobs in architecture, real estate, engineering, market analysis, environmental and legal services. The construction of housing produces employment in the building trades, material suppliers, real estate, attorneys and lending. Post construction, there are fulltime jobs created in property management and maintenance in addition to a cadre of employment within the local business community that is needed to support the developments and the residents. These include local shops, plumbers, electricians, food services, utilities, pharmacies and more. The second home market is prevalent in the Hudson Valley, which creates a supportive impact on local shops, restaurants and other tourism and service based industries.

The development of housing has a direct benefit and creates opportunities within distressed communities, such as the availability of a safe place to live and a stabilized neighborhood. These benefits lead to economic opportunities for local residents, based upon their housing needs being met and allows for an individual or family to secure employment.

The construction of affordable housing leverages substantial public and private investment and supports the redevelopment, stabilization and revitalization of urban centers and neighborhoods. The creation of affordable multi-family housing developments improves the economic stability and tax base of a community. Residents of affordable housing no longer pay 50% of their income on housing, which then allows for increased expenditures within the local economy on goods and services. Housing development increases the property tax base, which creates revenues to support local schools and communities. In order for the County to effectively respond to the housing opportunities and

challenges an aging population presents, it is important to understand the full variety of housing options that can serve senior populations.

Housing for senior citizens may be defined in many different ways and there are a wide variety of models and designs, both market rate and affordable. Senior rental apartments are typically designed as larger scale, multifamily properties restricted to adults at least 55 years of age. Senior rentals complexes are located in rural, suburban and urban locations throughout the Hudson Valley. Other types of senior housing include echo cottages, ancillary apartments, mother-daughter homes, retirement communities and co-housing. All of these models exist in various neighborhoods and communities in the Hudson Valley. Although there are many options and designs for senior housing, this paper is specifically focusing on two options, Naturally Occurring Retirement Communities and Village to Village.

Naturally Occurring Retirement Communities (NORC):

The NORC is a community-based intervention designed to reduce service fragmentation and create healthy, integrated communities in which seniors living in NORCs are able to age in place with greater comfort and security in their own homes. In general, NORC's are flexible and responsive to client needs and preferences, which are based upon community and client assessments and changes over time. NORCs are communities, housing developments, apartment buildings, and neighborhoods of single-family residences with high concentrations of older residents. www.NORC.org.

The establishment of a NORC is typically done to help stabilize neighborhoods and retain the existing residents, but it also is a program that attracts other seniors. There are communities in Orange County that may already have a concentration of long term residents that want to age in place and have no desire to relocate. Residents of NORC's are often eligible for government assistance programs for housing and related services. However, NORC's typically incorporate mixed income ranges, which assist in the sustainability of the community and expand potential economic development opportunities.

Looking at a NORC from an economic development perspective, there are many opportunities for the retention, expansion and creation for employment. The supportive service programs that are associated with the NORC incorporate housing agencies, health and social service agencies, government entities, local not-for-profits, planners and family caregivers. Additional ancillary business opportunities associated with NORC's may include, but not limited to:

1. Adult day care
2. Nutrition and fitness programs
3. Transportation services
4. Home rehabilitation, home maintenance and personal care services
5. Congregate meals and meal delivery
6. Public Infrastructure improvements to promote security and safety
7. Health care management, including mental health counseling
8. Financial planning and legal advice
9. Grocery stores, pharmacies, banks, diners and personal services

Not all residents of a NORC can age in place, for a variety of reasons. Therefore, the establishment of a NORC may also lead to the development of new rental units, both subsidized and market rate. Other potential residents may be interested in purchasing a townhome or condo. The existing housing stock of a community in which a NORC is established will most likely include non-senior homeowners. Therefore, the creation of ancillary or in-law apartments would benefit the NORC and add to its sustainability and choice for potential residents.

Improving social opportunities for the residents of a NORC is critical to its sustainability and vitality as well. The development of a community or neighborhood center within a NORC is an important element to its success. These centers provide space for programs, social gatherings and potential space for permanent health and medical services. Rents may be charged to provide revenue to support the construction and maintenance of a center.

Village to Village:

Orange County is very diverse geographically and there are areas that will not be suited for a NORC. Another similar option that brings together many of the same concepts of community and neighborhood, which also provides opportunity for economic development is called Village to Village.

The concept of Village to Village began in 1999 in Beacon Hill Village in Boston. Beacon Hill Village is a community of residents in central Boston who have created a synergistic approach in providing life systems for people over 50. The founders of Beacon Hill wanted to stay engaged in their own neighborhood within the City of Boston. The founders recognized that they may need support systems in order to remain active and in their homes.

The Village to Village concept is a membership based program that begins with a collection of strategic partners, which include service providers, volunteers and the residents. Ultimately a local non-profit organization is established to provide administration and operations of the local Village to Village program.

Overall, a Village to Village project provides "one-stop shopping" for the members. Some services are offered by volunteers and others by professionals. Moreover, professional services would include home maintenance, computer services, transportation, food services, dog walkers, housekeepers, plumbers, electricians, in-home health care services and financial services.

On the local level, Hudson Valley Home Matters is operating and provide those 50 and over the practical means to continue living active, independent lives in their own homes as they grow older. The program operates in the greater Poughkeepsie area and towns to the north and south. An annual fee structure is \$500 for an individual and \$700 for a household, which covers the cost of the Member Services Coordinator and office expenses.

Based upon the above collection of data and information; there is an opportunity to both capitalize on and plan for the coming wave of older Orange County residents. Given the sheer numbers, it is imperative that modern day thinking no longer view the aging residents as an economic burden due to healthcare costs for example. Conversely, we need to view the older population as an opportunity to rethink how and what services are directly provided and how this population can be integrated with the rest of the County's population to the betterment of all.

2013 Research Workplan for Orange County IDA

Introduction

Pattern is a 501(c)3 organization formed in 1965 and based in Newburgh, New York. The Pattern team, specifically for this project will be led by Jonathan Drapkin, President and CEO of Pattern and supported by Joseph Czajka, VP of Research and Grant Administration and staff members and external experts as appropriate. Pattern has a long and storied history of identifying critical areas in need of public policy initiatives, comprehensively researching those areas and developing and, as appropriate, implementing suitable policy recommendations.

With regard to research for the IDA, the clear goal is to find the ability for job creation. In that regard there have been numerous efforts to examine the trajectory of the City of Newburgh in an effort to get it on the right track. Given cuts in staff and capacity so much of the City's efforts are directed to helping to achieve stability day to day yet alone year to year. Pattern proposes to begin an effort to look at the long term needs of the City with regard to job creation, economic development and planning. The effort would focus on finding cities of comparable size, demographics and history in an effort to make a series of recommendations to assist the IDA and the City in planning for its long term future in the principal areas of economic development and job growth.

Statement of Need

The basic socio-economic indicators show that the City of Newburgh is a city in distress. Basic economic indicators of unemployment, median household income, poverty, vacancy rates and homeownership rates all point to distress and need.

Indicator #1: Unemployment

Geographic Area	2010	2011	2012	March 2013
State	8.6%	8.3%	8.5%	8.1%
Hudson Valley	7.6%	7.3%	7.6%	7.2%
Orange County	8.3%	8.0%	8.3%	7.9%
City of Newburgh	10.7%	10.4%	11.1%	10.8%
Town of Newburgh	8.5%	8.1%	8.5%	8.2%
Town of New Windsor	8.6%	8.3%	8.8%	8.1%

Source: NYS DOL

Analysis:

The City of Newburgh has consistently higher levels of unemployment than the surrounding Towns of Newburgh and New Windsor, as well as the County of Orange, the Hudson Valley and the State. In 2009, the City of Newburgh had an unemployment rate 2.4% higher than that of Orange County. By March of 2013 this spread grew to 2.9%. When comparing the City of Newburgh to the surrounding Towns of Newburgh and New Windsor, the spread grows from 2.2% and 2.1% (2010) to 2.6% and 2.7% (March

2013) during the same time period. The City of Newburgh is not improving at the same rate as the surrounding areas or the region.

Indicator #2: Median Household Income and Poverty

Geographic Area	Median Household Income	% of people below poverty
New York State	\$56,951	14.5%
Orange County	\$70,294	11.4%
City of Newburgh	\$37,671	26.3%
City of Middletown	\$55,251	17.3%
City of Port Jervis	\$40,063	16.6%
Town of Newburgh	\$78,270	7.4%
Town of New Windsor	\$71,834	5.5%

Source: ACS 2007-2011

Analysis:

The median household income according to the American Community Survey 2007-2011 indicates that the City of Newburgh has a lower Median Household Income and higher rate of poverty as compared to the surrounding towns, the other two cities within Orange County, the County itself and the State of New York. In fact, the City of Newburgh is well over twice the poverty rate of the County, over 3.5 times and nearly 5 times greater than the surrounding towns of Newburgh and New Windsor, respectfully. The median income in the City of Newburgh is 86.6% lower than that of Orange County.

Indicator #3: Poverty in School Districts - % of students eligible for free and reduced lunch

School District	% of students 2009-10	% of students 2010-11	% of students 2011-12
Newburgh Schools	63%	65%	66%
Valley Central Schools	25%	25%	25%
Washingtonville Central	20%	21%	23%
Cornwall Central	10%	11%	12%

School District	Enrollment 2009-10	Enrollment 2010-11	Enrollment 2011-12	% change 2009 to 2011
Newburgh Schools	11644	11227	11167	-4.1%
Valley Central Schools	4853	4810	4683	-3.5%
Washingtonville Central	4542	4451	4397	-3.2%
Cornwall Central	3434	3457	3440	+.17%

Source: NYS Report Card

Analysis:

According to the 2011-2012 NYS Report Card statistics issued by the NYS Department of Education, it is clear that each of the school districts surrounding the City of Newburgh have drastically lower rates of students on reduced or free lunch. This is another indicator of distress in the City of Newburgh. The student enrollment has declined in Newburgh and the surrounding area, except for Cornwall, which

remained essentially flat. Regardless of the declining enrollment, the reduced and free lunch rates have increased, which indicates a higher level of poverty. The district enrollment is dropping while the percentage of students on free and reduced lunch is increasing; therefore the families that remain are much less affluent.

Indicator #4: Vacancy, Homeownership, Rental Rates – Owner Occupied vs. Renter

Geographic Area	% of Occupied Housing Units	% of Vacant Housing Units	% of Owner Occupied Units	% of Renter Occupied Units
City of Newburgh	83.9%	16.1%	35.1%	64.9%
Town of Newburgh	95.1%	4.9%	83.6%	16.4%
Town of New Windsor	95.8%	4.2%	76.5%	23.5%
Orange County	91.6%	8.4%	70.5%	29.5%
New York State	89.3%	10.7%	54.8%	45.2%

Source: ACS 2007-2011

Analysis:

The rate of owner occupied housing versus the rate of rental occupied housing is a common indicator of a healthy community. According to the Neighborhood Reinvestment Corporation (NRC), the nation’s leading housing organization defines a healthy community as 70% owner occupied and 30% rental. The City of Newburgh is clearly the reverse of a healthy community, as defined by NRC when analyzing the indicator of homeownership. The above chart shows a comparison between the City of Newburgh to the surrounding area, the county and the state. The City of Newburgh also has an incredibly high rate of vacant housing units, which is yet another indicator of distress.

Project Description

Pattern proposes to research how long term planning could aid the City. Pattern has studied examples where this approach has aided other cities. One such city was Pittsburgh which is becoming an American success story having engaged in a multi decade plan to redefine their city, however Pittsburgh is too large. South Norwalk Connecticut is closer in population, 85,603, and had many of the same issues (e.g. crime and blight), which has been revitalized.

A specific timeline will be developed for each aspect of the project, but we anticipate this study to be completed by the end of calendar year 2013. The project will begin with the search for comparables and an effort to interview others who have been successful in a turnaround of a city of this size. The remaining time will be dedicated to analysis, design and assembling the beginning of a strategic plan for the City based upon the findings and needs.

Methodology

The methodology will include the examination of the appropriate industry, planning and on line data. Pattern will also conduct numerous interviews and attempt to understand what other comparable cities are doing to address this issue.

Pattern has several objectives under this proposal. First, develop a comprehensive understanding how different cities managed to create and implement a long term plan for turning around their municipality. Second, provide a detailed demographic and statistical analysis of socio-economic factors.

Third, develop policy recommendations that will work to alleviate the issues that we know to exist yet have no clear empirical data to support. These objectives will lead to building a comprehensive foundation to determine and quantify new economic development growth opportunities.

Summary

In closing, Pattern hopes to assist in the redevelopment of the City of Newburgh by providing capacity for long term planning for economic development and job growth. It is hoped that some of what we learn here will be applicable to Orange County's other two cities as well.

FEE: \$17,000