

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

July 19, 2006

A regular meeting of the Orange County Industrial Development Agency was convened in public session on July 19, 2006 at 3:00 P.M. at the County Government Center, Goshen, in Orange County, New York.

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

PRESENT: David MacFarland, John Steinberg, Stephen Brescia, Robert Armistead, Henry VanLeeuwen

ABSENT: Daniel Coleman

ALSO PRESENT: William Trimble – Administrator Director
Edda Eller, Recording Secretary
Phil Crotty - Attorney
Maureen Halahan – Orange County Partnership
John D'Ambrosio – Orange County Chamber of Commerce
Thomas Weddell – Vanacore, DeBenedictus, DiGivanni et el
Jacob S. Tawil, P.E. – City of Middletown
Jay F. Jason - Jason, Nesson & Swift, L.L.P.
Justin L. Cole – Attorney at Law
Patrick Sherry – Fine Spirit Imports, Inc.

Opening the meeting, Chairman David MacFarland asked for a motion to approve May 17, 2006 minutes. Henry Van Leeuwen made a motion to approve minutes and Stephen Brescia seconded motion. Minutes of May 17th approved by all members present. Robert Armistead made a motion seconded by Stephen Brescia to approve Minutes of June 14, 2006. Members present approved Minutes of June 14th.

Treasurer's report for May and June 2006 was presented. John Steinberg made a motion seconded by Stephen Brescia to approve Treasurer's report. Treasurer's report approved by all members present as submitted.

Treasurer Henry Van Leeuwen presented the following Receivables: Monroe Free Library application fee \$5,000, Orange County Chamber application fee \$5,000, Blaser Swiss Lube pro-rata insurance 289.00, BHK America pro-rata insurance \$1,410.00, St. Luke's Cornwall Hospital pro-rata insurance \$2,383.00, Crystal Run Village administrative fee \$29,850.00, WHY Associates pro-rata insurance \$2,799.00, St. Luke's Cornwall Hospital administrative fee \$89,825, F.W. Webb Company application fee \$5,000, Milwood Place LLC application fee \$5,000, St. Luke's Cornwall Hospital pass-thru legal fees \$8,000, Orange Regional Medical Center pro-rata insurance \$2,433.00. Presented were the following vouchers and payments: Pass-thru application fees to Harris Beach, PLLC \$2,500 for Monroe Library, \$2,500 for IBM project, \$2,500 for St. Luke's Cornwall Hospital, \$2,500 for The Castle project, \$2,500 for F.W. Webb Company, \$2,500 for Orange County Chamber, application pass-thru fees to Philip Crotty \$2,500 for Orange County Chamber of Commerce, \$2,500 for Monroe Free Library, legal pass-thru fees to Philip Crotty \$8,000 for St. Luke's Cornwall Hospital, \$8,000 for Crystal Run Village, Philip Crotty \$1,666.00 for retainer May 18 – July 19, 2006, Drake, Loeb, Heller, Kennedy et el \$1,577.01 for Orange County IDA vs. Breonics 12/30/05 -3/31/06, Orange County Partnership \$33,333.33 for 4th bi-monthly payment, Orange County Capital Development Corp. \$50,000 2 of 3 payments, SWF Airport Acquisition \$50,448.76 for marketing Independence Airlines. Robert Armistead made a motion seconded by Stephen Brescia to approve vouchers for payment. Motion approved by all members present.

Recognized was Maureen Halahan of the Orange County Partnership, updating members regarding business retention/expansion and business attraction activities since her last report in May 2006. For the month of June there were eleven YTD closed attraction and thirty-seven pending attraction Projects. Members thanked Maureen for the report.

Presented was an updated report from Stewart International Airport NEG. They are working out details of a contract that would have Skybus begin service in the 1st quarter of '07. They plan to start with 4 flights from Columbus, Ohio per day. They have an offer on the table and are waiting to hear from JetBlue, AirTran, Express Jet and CQ Air. In June Chuck Seliga and Tanya Vanasse attended the 2006 JumpStart conference where they met with over 20 airlines, and had formal sessions with Northwest, Delta, American Eagle, Republic, United, AirTran and SkyKing. Allegiant Air continues to be optimistic about expanding

service to Florida. Starting in November, they have committed to adding three more flights per week to Orlando. They are offered \$35,000 in advertising if they start low-cost service to a new Florida destination. The following projects are currently underway to help attract new carriers: The Drury Lane project creating an entrance to the Airport off of Interstate 84 is moving forward, the terminal renovations are on schedule, the lobby has been opened up, and more counters added, the second TSA lane is open and able to process twice the number of passengers. This progress report from Tanya Vanasse was included in packet for the July 19th meeting mailed out to all IDA members.

Presented was a memorandum to Honorable Leigh Benton, Chairman of the Education and Economic Development Committee from Antoinette Reed, Legislative Counsel regarding whether the Orange County Industrial Development Agency could mandate applicants participating in its tax benefit program to use local labor and pay prevailing wages during the construction phase of their project. The response was no. The Orange County Industrial Development Agency is without statutory authority and may be in violation of the Commerce Clause of the U.S. Constitution if it would adopt a policy mandating private developers using IDA benefits on private works projects to use local labor and pay prevailing wages.

Presented was a letter from Assemblywoman Aileen M. Gunther thanking Philip Crotty for his letter of opposition of the legislation amending General Municipal Law-Article 18A.

Presented was a letter from Richard O'Beirne of Construction Contractors Association regarding reservation of 10 acres for the Orange County IDA. Henry Van Leeuwen suggested waiting until the IDA gets the property and then having discussions and making a decision.

John Borland, Orange County IDA Second Vice Chairman's resignation was accepted and a decision to fill the vacancy will be made by the Legislature.

Presented was a copy of Justice Slobod's decision granting Orange County IDA's motion for summary judgment with a letter from Carter, Conboy, Case, Blackmore, Maloney & Laird, P.C., Attorneys at Law, regarding the G.E. Lawsuit. The IDA is held harmless in future and there no longer is a lawsuit.

Presented was a resolution accepting the revised application of International Business Machines Corporation with respect to a certain project and authorizing an additional public hearing with respect to the project and describing the forms of financial assistance being contemplated by the Agency. Stephen Brescia made a motion seconded by Henry Van Leeuwen to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a Resolution authorizing Orange County IDA to provide financial assistance to the Orange County Chamber of Commerce, a/k/a River to River Holding Corp. to construct its corporate headquarters building in the Town of Montgomery. A proper application was submitted to the Orange County IDA for that purpose and a public hearing was held according to law and no objection was raised to the application. Robert Armistead made a motion to accept Resolution as presented. John Steinberg seconded motion and affirmative votes of all members present resulted in motion carried.

Presented was a Resolution accepting the application of F.W. Webb Company with respect to a certain project to be located on Corporate Boulevard in the Town of Newburgh, Orange County, New York, describing the forms of financial assistance being contemplated by the Orange County IDA and authorizing a public hearing with respect to such project. Henry Van Leeuwen made a motion seconded by Stephen Brescia to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a Resolution accepting the application of Clancy's Volcanic Snacks International Corporation with respect to a certain project to be located at the Wakefern Distribution Center, 260 Ballard Road, Town of Wallkill, Orange County, New York, describing the forms of financial assistance being contemplated by the Orange County IDA and authorizing a public hearing to such project. Robert Armistead made a motion and Henry Van Leeuwen seconded motion to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a resolution accepting the application of Air-Car-Go Realty, LLC with respect to a certain project to be located on Cargo Road in the Town of Newburgh, Orange County, New York, describing the forms of financial assistance being contemplated by the Orange County IDA and authorizing a public hearing with respect to such project. Stephen Brescia made a motion seconded by Henry Van Leeuwen to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a Resolution accepting the application of Milwood Place, LLC with respect to a certain project to be located on North Drive in the Town of Woodbury, Orange County, New York, describing the forms of financial assistance being contemplated by the Orange County IDA and authorizing a public hearing with respect to such project. The project consisting of the construction of an approximately 80,000 square-foot Hampton Inn hotel facility with 136 units. Stephen Brescia made a

motion to accept Resolution with an amendment making it a tourism designation. Henry Van Leeuwen seconded motion and affirmative votes of all members present resulted in motion carried.

Presented was a Resolution approving Airport Properties II as "Tourism Related" facility. Airport Properties II has submitted an application for financial assistance to this IDA for a hotel/motel at Stewart International Airport. Henry Van Leeuwen made a motion to accept Resolution designating Airport Properties II a "tourism-related" facility for purposes of the IDA's PILOT program, and that any further public hearing to consider a tax abatement in that regard shall be scheduled. Stephen Brescia seconded motion and affirmative votes of 4 ayes and 1 abstain, motion carried.

Presented was a Resolution authorizing an additional public hearing with respect to the Airport Properties II project and the negotiation, execution and delivery of a deed or lease agreement, sale or leaseback agreement and related documents. John Steinberg made a motion seconded by Stephen Brescia to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a Resolution for Millennium Pipeline Company, LLC Project, authorizing the Orange County Industrial Development Agency to execute the Lease Agreement, Leaseback Agreement, Payment-in-Lieu-of-Tax Agreement, Mortgage and related documents in certain parcels of land located in the Towns of Deerpark, Greenville, Minisink, Tuxedo and Warwick Orange County, New York and the existing improvements located thereon. The improvements consisting principally of approximately 32 plus miles of an approximately 182-mile existing natural gas transportation pipeline. The improvements would include new compressor stations and pipelines. Henry Van Leeuwen made a motion seconded by Robert Armistead to accept Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a Resolution approving easement and joint use agreement for Elant a/k/a Lifestyle Concepts LLC. The attorney for Lifestyle Concepts LLC request an easement over an IDA-owned parcel identified as tax parcel 128-1-1.1 for the purpose of providing ingress and egress over the IDA parcel to an adjacent parcel owned by Lifestyle Concepts LLC identified as tax parcel 12801-2.2. Robert Armistead made a motion seconded by Henry Van Leeuwen to accept Resolution as presented subject to paying their pro-rata insurance of \$1,043.00 owed to the Orange County IDA. Affirmative votes of all members present resulted in motion carried.

Presented was the audited financial report for the year 2005. Henry Van Leeuwen made a motion seconded by Robert Armistead to accept financial report as presented. Affirmative votes of all members present resulted in motion carried.

Administrative Director, William Trimble, provided members with a copy his administrative report up to July 19th meeting. (Copy attached)

Henry Van Leeuwen suggested that the Orange County IDA give a portion of the IDA's money to Orange County Relief for businesses.

Henry Van Leeuwen made a motion that this meeting be duly adjourned the time being 4:50 p.m.

Edda Eller
Recording Secretary