

# ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Orange County Business Accelerator

4 Crotty Lane, Suite 100

New Windsor, NY 12553

Phone: 845-234-4192 Fax: 845-220-2228

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

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 September 11, 2013 at 3:00 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**
- **Executive Session**
- **Approval of the minutes from August 21, 2013 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
  - Chairman's Report
  - OCBA Report
  - OCP Report
  - Discussions
- **Resolutions**
- **Such other and further business as may be presented**
- **Public Comments**
- **Adjournment**

Dated: September 4, 2013

Stephen Brescia, Secretary

By: Robert T. Armistead, Chairman

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

August 21, 2013

A regular meeting of the Orange County Industrial Development Agency was convened in public session on August 21, 2013 at 3:12 P.M. at the Orange County Business Accelerator in New Windsor, New York.

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

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

ABSENT: John Steinberg

ALSO PRESENT: Kevin Dowd – Attorney  
Laurie Villasuso – Administrative Assistant  
James O'Donnell  
Brian Gates – HVEDC  
Peter Malone – Orange County Business Accelerator  
Jill Varricchio – Concept Promotions Etc.  
Steven Gruber – Renewage/Concordia  
Victor Cornelius – Endeavor, Inc./Concordia  
Doug Sanstead – Crystal Run Healthcare  
Amanda Dana – Orange County Partnership  
Michael Mayfield – The Monroe Cable Co., Inc.  
Henry Keller – GE Capital/The Monroe Cable Co., Inc.

Chairman Armistead calls the meeting for the Orange County IDA, August 21 2013 (Pledge of Allegiance is recited). Board consists of six members. There is a quorum.

Review of the prior July 17, 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 notes that an updated Request for Payment list was distributed, and with the recent additions, the total payments comes to \$54,023.97, and the total received coming to \$1,299,321.50. He calls to attention the receipt of two check from IBM this month totaling over \$928K. He adds that the audit of IBM's 2011 payment is still ongoing. Asked my Mr. Vernon if he believes the IDA will have refund IBM, Mr. Kleiman advises that recent payments are being processed correctly.

Mr. VanLeeuwen notes that Mr. O'Donnell was responsible for bringing the auditors into the IBM issue, and thanks him for it.

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

Mr. Kleiman then notes that an Orange County Trust CD matured this week, and distributes a spreadsheet of the bids received for the CD funds. Bids were solicited from 11 banks, with Provident Bank as the highest bidder at 0.51% for a CD or Money Market. Mr. Kleiman spoke with Chairman Armistead, and together they decided to move the funds into a Money Market, to take advantage of the current trend of rising rates. As a result, the IDA awarded the \$1.4M to a Money Market in Provident. Mr. Kleiman is also in discussion with Provident to see if they can offer high rates on some other IDA Money Market funds.

Mr. Vernon asks Mr. Kleiman to check on the Money Market rate prior to next month's meeting, as some banks entice customers with higher initial rates, and then the rate plummets. Mr. Kleiman agrees that can happen – as money market rates are not guaranteed – but it has been his experience that a bank has never enticed the IDA or Orange County with a high rate and then reduce it shortly thereafter. While there is no guarantee that the rate will stay where it is, he has never seen a bank play those sorts of games with the County or the IDA.

Turning his attention to the July income and expense summary, the IDA brought in \$1.3M, with expenses reaching just over \$100K, with a total \$1.2M to the good for the month. The revenues exceed the expenses for the year by just under \$900K.

With the 2014 budget coming up, Mr. Kleiman distributes spreadsheets on two line items: "Projects" and "Agency Contributions." He offers the detailed spreadsheets as indicators of how the money for those items is spent. Addressing the budget, he notes that the Audit Committee has met twice to review a draft budget for 2014. By next month's meeting, a proposed budget will be available for review. With its approval, it will be submitted to the state via the PARIS system.

Chairman Armistead notes that audit will meet one more time before the September meeting to finalize the budget, then takes the opportunity to note that there is discussion amongst members to move the meeting to September 11<sup>th</sup>. A quick poll of members indicates no issue with the move, and it is decided to move the meeting to September 11<sup>th</sup> at 3:00 at the Business Accelerator.

Lastly, Mr. Kleiman reminds the Board that the IDA files reports every year with the NYS Authorities Budget Office. Recently, he was contacted by the office with regard to two items submitted for the year 2012. He and Mr. Dowd are working together to resolve the issues. He'll report to the Board once the issues are resolved.

### **Chairman's Report**

Chairman Armistead begins by noting that the last few months – the entire summer – has been extremely busy. He takes this opportunity to thank the Board Members for continually volunteering their time, not just for regular IDA meetings, but for various committee meetings – Audit, Governance, Search – and events. In addition to thanking the Board Members, he thanks the IDA's professional staff, including Ms. Villasuso, Mr. Dowd, Mr. Kleiman, Mr. O'Donnell, Mr. Gaenzle, and the OCBA crew. He appreciates everyone's hard work, in the face of the exceptionally busy summer; the numerous projects, public hearings and issues have taken all of the members away from their primary businesses, and he emphasizes that their volunteerism has not gone unnoticed.

He goes on to note that the IDA continues to stimulate economic growth, create jobs and entice quality businesses to come to Orange County, for the benefit of Orange County residents. He mentions that there were a number of excellent projects discussed in the Governance Committee, including the OCP Shovel Ready Site proposal. Also discussed were MSMC's business school, the Cornell Cooperative Extension, CGAM, and the Middletown Community Health Center.

### **OCP Report**

Ms. Dana begins by echoing Chairman Armistead's sentiment that this summer has been quite busy. There are numerous attraction projects in the works, in addition to retention and expansion projects.

She begins by advising the UNFI project is moving forward. She makes a note that the project will eventually get to 400 jobs. At year one, there will be 300 jobs, and year two will bring in 80-100 more jobs. She adds that some local companies have been awarded bids for the project. Their groundbreaking is September 23<sup>rd</sup>.

Ms. Dana also touches on, among other projects, Project X. Chairman Armistead reminds her that the OCP has the IDA's support on that project. She touches on CPV, and goes on to discuss:

- \*Project Crush – Manufacturer with 24-30 jobs
- \*Project Crane – Looking for 12-15K square foot building, with a \$1-1.5M capital investment a potential to create 5 jobs.
- \*Project Titan – This HVEDC lead needs 40K square feet for a warehouse that will provide 38 jobs immediately and 100 within a 10 year span.
- \*Project Philadelphia – A call center looking for 12-30K square foot facility, expecting 100-160 employees.
- \*Kikkerfrosch – Having already come before the IDA, Kikkerfrosch expects to ultimately create approximately 100 jobs with their brewery.

Lastly, Ms. Dana briefly discusses Project Proton, which is just gathering momentum, and also mentions that Satin Fine Foods is looking for expansion. She also notes that the TappanZee Bridge project is bringing a lot of attention and business to Orange County. Ms. Dana adds that Brooklyn industries have been showing an interest in moving their operations to Newburgh.

### **OCBA Report**

Mr. Gates begins by noting that there are three new associate clients. Mr. Malone advises that one of the clients is Wason Technologies, and the proprietor has created software to update older robotics. Thando, the second new client, imports shoes from Africa. The third client is Bronx Pop who creates old time soda, and has just signed a reality show deal.

Misters Gates and Malone submitted a CFA for an ESD Business Incubator grant. The grant \$125K/year for three years, and up to 10 of them will be awarded this year. With the grant money, they hope to expand the Accelerator's services.

Mr. Gates also notes that the Accelerator's redesigned website is live, and details all of the additions and updates to the website. There is also an external outreach program with new ads appearing in a variety of publications announcing that entrepreneurs are wanted. Mr. Malone advises that he will be facilitating a local library lecture series. Three client testimonials – 3 to 4 minutes of Cymogen, Merete and Sabila – have been completed and will be posted on the website this weekend and on youtube. Mr. Gates notes that the members will receive copies of the videos.

Mr. Gates also notes that HVEDC has started a new website called startupHUDSONVALLEY.com. On it, they'll be updating the progress on the Start Up NY program.

### **Continental Organics**

With Mr. Finnegan absent, Chairman Armistead updates the Board on Continental Organics' recent progress. They have closed on Phase II and paid the funds due to the IDA.

### **CGAM**

Mr. Vernon notes that the project is moving along. The state grant for \$600K was approved at the state level, which will allow the project to move forward. They would like to hold their first class in January.

### **Concorida – Renewage**

Victor Cornelius, grant writer working with Concordia Senior Assisted Living Community in Hamptonburgh. He explains the project as a 140 unit complex with the production of 105 \$35-65K full time jobs with benefits. Their request mirrors that of last year's, which was approved by the Board, they are requesting the IDA be the municipal grant applicant for Renewage in Orange County. The request is for the development of the infrastructure of the site in Hamptonburgh. Last year's request was declined because the project wasn't far enough along, but now with DEC's approval, he believes that they project is far enough along. At this time they are seeking \$500K ESD grant for the running of the water line to the site, and a \$1.7M Bond Cap, which will be paid back by the developer.

Mr. O'Donnell notes that the Renewage portion is huge and "groundbreaking" for the County.

Motion made by Rogulski, seconded by Schreibeis, authorizing the IDA to apply for the grant in 2013. Motion carries with all in favor.

### **The Monroe Cable Co., Inc.**

Misters Mayfield and Keller represent The Monroe Cable Company. Having already given a presentation about the project, they ask if the Members have any questions. Chairman Armistead notes the IDA received a letter from the Wallkill IDA deferring the project to the Orange County Industrial Development Agency. Mr. O'Donnell met with Mr. Depew to clarify the letter's language. He advises that Monroe Cable Company is not seeking a PILOT. They will apply for a 485-b from the Assessor, and from the IDA they are seeking only the Sales and Mortgage Recording Tax Exemptions.

Mr. Dowd reads The Monroe Cable Company, Inc. initial resolution aloud. Motion made by Brescia, seconded by Schreibeis. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Mr. Mayfield notes that they hope to break ground this fall on the expansion. Mr. VanLeeuwen encourages the use of local contractors.

Ms. Dana asks about the job creation on the project. Mr. Mayfield advises her that 25 jobs will be available immediately and over a five year period should increase up to 50 jobs. For construction, they will create 20-25 jobs.

### **CRH Realty – Resolution**

Mr. Sanstead, counsel for CRH Realty, introduces the project by first apologizing for their last minute appearance before the Board. He explains that CRH is doing a sale-leaseback project with 6 of their buildings. The deal has been in progress for the better part of a year, and in order to secure the deal, action must be taken today. He once again thanks the Board for hearing their project today.

He goes on to explain that there are two PILOTs in Orange County – one with CRH Realty II for 95 Crystal Run Road, built in 2009, and one with CRH Realty VI for Rykowski Lane, which was recently built and serves as their back office location – and both of those building will be sold, and leased back to Crystal Run Healthcare. Crystal Run Healthcare LLP, he assures the Board, is going nowhere. New, 20-year leases will be completed for all of the buildings. Currently, CRH provides 1700 jobs, and that number will grow as a result of this transaction; there is an aggressive expansion planned with the proceeds. They will be building a 35K square foot building in the Town of Newburgh, which will create 100 construction jobs, and 220 full time, well-paying jobs in Orange County. Most of the proceeds of the transaction will fund the healthplans. CRH is starting a health insurance company and an HMO, and will be filing the application next month. They will come to the Orange County markets with these health plans, and they will be priced very attractively for local businesses. He reminds the Board that the entire back office operation for CRH will be located in Orange County, at the CRH VI site.

They are asking for the approval to substitute the REIT's special purpose entities for the CRH special purpose entities and preserve the PILOT benefits.

Chairman Armistead notes that there has been a lot of discussion between Mr. Gaenzle, Chairman Armistead, CRH and Mr. Dowd. He adds that the IDA has encountered a situation, and approved a request like this, before. He notes that CRH is an important employer in Orange County.

Asked if he wanted to add anything, Mr. Dowd notes that Mr. Gaenzle will ensure all documents completed relative to this transaction will not change any of the liabilities owed to the IDA, and all of Crystal Run's responsibilities will remain theirs, and that the project will go forward with Crystal Run running the project as originally agreed upon.

Mr. Vernon asks if, for whatever reason, Crystal Run went under, would the IDA have any recourse. Mr. Dowd advises that the IDA's interest are protected. Mr. Vernon asks the amount of proceeds being reinvested and the sale price of the buildings; Mr. Sanstead advises that he would prefer to keep those numbers confidential. Ms. Rogulski notes that the question at hand is whether the PILOTs to stay in place; she reminds the Board that the PILOTs were granted based on the jobs that Crystal Run hoped to create, which they did, and she believes that Crystal Run will continue to create jobs with their plans to expand. Mr. Sanstead advises that Crystal Run will increase their employment from 1700 to 2000 within a year.

Mr. VanLeeuwen suggest that CRH pay for the counsel fees related to this deal.

Mr. O'Donnell notes that he can appreciate the preference to not state publicly the details of the deal, but that the IDA needs to be fully informed in order to make a decision. He adds that the IDA should receive a copy of all legal documentation on the transfer. To that end, it is suggested that the IDA approve the resolution, with the caveat that CRH pays the attorney fees and provide the IDA with the details of the transaction.

Mr. Dowd reads the CRH Realty II, LLC and CRH Realty VI, LLC Projects resolution aloud, noting that the Resolution and approvals are subject to CRH paying all legal fees for Bond Counsel and local counsel in connection with the Assignment and all related work, and CRH providing background information relative to the sale of the facilities and underlying assets to Bond Counsel, local counsel, and the IDA. Motion made by Rogulski, seconded by Brescia. Open for discussion. Motion carries with five ayes and one abstention. Resolution adopted.

Ms. Rogulski makes a motion to enter executive session pursuant to section 105(1)(f) of the open meetings law to discuss the financial or credit history of a particular company. Motion seconded by Mr. Schreibeis. All in favor.

*Executive Session*

The members discuss the credit history of a particular entity.

*End of Executive Session*

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

*[Mr. Vernon exits the meeting]*

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

With no further business, meeting called for adjournment by Chairman Armistead, motion made by VanLeeuwen, seconded by Schreibeis, the time being 4:58 p.m.



Orange County Business Accelerator  
Profit & Loss YTD Comparison  
August 2013

	Aug 13	Jan - Aug 13	Budget 2013	YTD 67%
<b>Ordinary Income/Expense</b>				
<b>Income</b>				
Federal Tax Refund	0.00	293.12		
IDA Deposit	0.00	348,713.00		
Insurance Refund	0.00	13.23		
NYS Refund	0.00	22.26		
Rent-Clients	9,245.48	46,632.72	100,000.00	47%
Rent-HVEDC	6,291.96	28,314.42	38,400.00	74%
Seminar/Sponsor			2,000.00	0%
Rent Sponsors	2,666.66	9,333.36		
Utility Reimbursement	498.72	2,088.90	4,000.00	52%
<b>Total Income</b>	<b>18,702.82</b>	<b>435,411.01</b>	<b>144,400.00</b>	
<b>Expense</b>				
Admin. Salary - Ent. Dev. Dir.	3,846.20	26,923.40	40,000.00	67%
Admin. Salary - IDA Admin Asst	3,898.65	27,290.55	40,556.00	67%
Admin. Salary -Admin. Assistant	3,840.00	26,880.00	39,900.00	67%
Automobile Expense	213.11	665.75	10,000.00	7%
<b>Benefits</b>				
403B	308.95	2,462.99		
MVP	1,201.38	9,310.60		
NYSDBL	15.90	111.30		
<b>Total Benefits</b>	<b>1,526.23</b>	<b>11,884.89</b>	<b>21,000.00</b>	<b>57%</b>
Building Insurance			5,000.00	0%
Building Rent	14,647.50	117,180.00	175,770.00	67%
Building Utilities	2,005.87	13,097.72	20,000.00	65%
Business Accelerator Management	6,000.00	48,000.00	72,000.00	67%
Contingency			5,000.00	0%
Common Area Maintenance	4,104.76	31,884.25	44,400.00	72%
Dues and Subscriptions	655.00	2,225.37	3,500.00	64%
Info Technology	6,297.55	13,839.00	30,000.00	46%
Marketing/PR & Web	915.78	51,389.84	150,000.00	34%
Office Cleaning	250.00	2,000.00	3,000.00	67%
Office Supplies & Postage	666.58	6,062.80	9,000.00	67%
<b>Payroll Taxes &amp; Fees</b>				
FICA / Med	167.99	1,175.98		
FICA / SS	718.25	5,027.72		
FUTA	0.00	386.58		
Staff-Line Fee	202.75	1,419.25		
SUTA	67.20	449.76		
Workers Comp	86.90	608.30		
<b>Total Payroll Taxes &amp; Fees</b>	<b>1,243.09</b>	<b>9,067.59</b>	<b>12,000.00</b>	<b>76%</b>
Professional Fees	525.00	4,425.00	6,300.00	70%
Rent Expense	0.00	250.00		
Revenue Reimbursement to IDA	0.00	45,776.34		
Security Deposit - Refund	0.00	250.00		
Travel, Lodging, Meals	0.00	478.28	10,000.00	5%
<b>Total Expense</b>	<b>50,635.32</b>	<b>439,570.78</b>	<b>697,426.00</b>	
<b>Net Ordinary Income</b>	<b>-31,932.50</b>	<b>-4,159.77</b>		
<b>Other Income/Expense</b>				
<b>Other Income</b>				
Interest Income	13.11	104.25		
<b>Total Other Income</b>	<b>13.11</b>	<b>104.25</b>		
<b>Net Other Income</b>	<b>13.11</b>	<b>104.25</b>		
<b>Net Income</b>	<b>-31,919.39</b>	<b>-4,055.52</b>		



STATE OF NEW YORK - COUNTY OF ORANGE

-----X

In the Matter of

**ORIGINAL**

CPV VALLEY, LLC  
(Public Hearing)

-----X

Monday - 2:05 p.m.  
August 12, 2013  
Thrall Library  
11-19 Depot Street  
Middletown, New York

B E F O R E:

ROBERT ARMISTEAD, Chairman of the I.D.A.

PRESENT:

KEVIN DOWD, ESQ.  
Representing the I.D.A.

JAMES O'DONNELL,  
Consultant to the I.D.A.

STEVE REMILLARD, CPV

COVENANT REPORTING  
Certified Shorthand Reporting  
26 Fleetwood Drive  
Newburgh, New York 12550  
(845) 564-7477

1 -Public Hearing-

2 CHAIRMAN ARMISTEAD: Good  
3 afternoon, everyone.

4 This is a public hearing for CVP.  
5 I'm Robert Armistead, Chairman of the Orange  
6 County I.D.A. To my left is Kevin Dowd, Orange  
7 County I.D.A. attorney. To his left is James  
8 O'Donnell, acting executive director and  
9 consultant for this project, and we have  
10 representatives from CPV here.

11 Okay. Will you, Kevin, read the  
12 notice?

13 MR. DOWD: Notice is hereby given  
14 that public hearings pursuant to Article 18-A  
15 of the New York General Municipal Law will be  
16 held by the Orange County Industrial  
17 Development Agency on August 12th, 2013, at the  
18 following times and locations: One, ten a.m.  
19 local time in the meeting room at the Wawayanda  
20 Town Hall, 80 Ridgebury Hill Road, Slate Hill,  
21 New York, 10973, and two, two p.m. local time  
22 in a conference room at the Middletown Thrall  
23 Library, 11-19 Depot Street, Middletown, New  
24 York, 10940, in connection with the following  
25 matter.



-Public Hearing-

1  
2 items of power generation and related equipment  
3 to include two combustion turbine generators,  
4 one steam turbine generator, two heat recovery  
5 steam generators and three generator step-up  
6 transformers. Certain plant equipment to  
7 include an air cooled condenser, water  
8 treatment and process water pumps and tanks,  
9 certain power transmission equipment to include  
10 an electric switchyard and transmission cable  
11 and pole structures, certain water supply and  
12 discharge equipment to include system piping  
13 and pumps, water treatment equipment and water  
14 discharge equipment, certain fuel supply system  
15 equipment to include system piping, pumps,  
16 compressors and meters, and other tangible  
17 personal property.

18 B, the acquisition by the Agency  
19 of a leasehold interest in easements covering,  
20 in the aggregate, approximately 1.0 acres of  
21 vacant land located along Route 17M, Tax Map  
22 I.D. numbers 5-5-18.1 and 64-1-1.1 in the Town  
23 of Wawayanda and City of Middletown, New York,  
24 and the construction on portions of the  
25 easement parcel of an interconnection

-Public Hearing-

1  
2           substation consisting of a gas insulated  
3           switchgear building and associated improvements  
4           and equipment, and C, the Agency's acquisition  
5           of leasehold interests in various easements in  
6           the Town of Wawayanda and the City of  
7           Middletown for water and sewer line  
8           improvements related to the Electric Generating  
9           Plant, the Utility Line Easements and  
10          Improvements, and collectively with the fee  
11          parcel, the fee parcel improvements, the  
12          equipment, the easement parcel and the GIS  
13          building, the facility.

14                    The Agency will acquire a  
15          leasehold interest in the facility and lease  
16          the facility back to the company. The company  
17          will operate the facility during the term of  
18          the lease. At the end of the lease term, the  
19          Agency's leasehold interest will be terminated.  
20          The Agency contemplates that it will provide  
21          financial assistance to the company in the form  
22          of sales and use tax exemptions, a mortgage  
23          recording tax exemption and a real property tax  
24          abatement, all consistent with the policies of  
25          the Agency unless procedures for deviation are

1 -Public Hearing-

2 complied with.

3 A representative of the Agency  
4 will be at the above stated times and places to  
5 present a copy of the Company's project  
6 application and hear and accept written and  
7 oral comments from all persons with views in  
8 favor of or opposed to or otherwise relevant to  
9 the proposed financial assistance.

10 Dated August 1st, 2013, by the  
11 Orange County Industrial Development Agency.

12 CHAIRMAN ARMISTEAD: Thank you,  
13 Kevin. Okay. If anybody has any comments, if  
14 they would stand and give their name for the  
15 record. Any comments?

16 (No response.)

17 CHAIRMAN ARMISTEAD: Seeing that  
18 there's no comments, we can conclude this  
19 meeting.

20 MR. HURST: I do have one comment,  
21 if I may?

22 CHAIRMAN ARMISTEAD: State your  
23 name. I know you did this morning.

24 MR. HURST: My name is Randolph  
25 Hurst. Again, I'm from Slate Hill, New York

1                                    -Public Hearing-

2                    and I've been involved with a number of the  
3                    residents who approached me to advocate on  
4                    their behalf in opposition to this project.  
5                    Many of the people are at work today. Many of  
6                    them work in New York City and others are away  
7                    on holiday or on vacation. Or they just  
8                    weren't informed about this meeting or they  
9                    didn't get to see the notice, the one notice in  
10                   the paper.

11                                    The people are feeling  
12                    disenfranchised. They feel it's unfortunate  
13                    that you couldn't have a hearing during the  
14                    evening when more people would be able to  
15                    attend. I'm speaking specifically of some of  
16                    the people that I've spoken with, Debra lane --  
17                    Debra lane, L-A-I-N, Mark Lain, William Lain,  
18                    and Ramilla (phonetic) Malik and her family, I  
19                    don't know her husband's name. Asha, A-S-H-A,  
20                    Canolos, C-A-N-O-L-O-S; and Debra Slattery who  
21                    is ill today, couldn't be here. And Lucera,  
22                    L-U-C-E-R-A, I think her name is Brainer,  
23                    B-R-A-I-N-E-R, that's close. And there are  
24                    many others that live on Kirbytown Road, Jacobs  
25                    Road in the Town of Wawayanda that have all

1 -Public Hearing-

2 been in touch with me and I'm retired so I was  
3 able to be here today and knew about this  
4 hearing.

5 These folks all feel that they  
6 have not had a voice but they would like to  
7 convey through me their objection to the I.D.A.  
8 providing financial support for this project.

9 CHAIRMAN ARMISTEAD: Thank you.

10 MR. HURST: Thank you.

11 CHAIRMAN EWASUTYN: Anything else?

12 MR. REMILLARD: No.

13 CHAIRMAN ARMISTEAD: Okay. I'll  
14 call this meeting to conclusion. Thank you.  
15 Thank you for attending.

16 MR. HURST: Yes. Thank you for  
17 being here.

18 (Time noted: 2:12 p.m.)

19 \* \* \* \* \*

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

I, Charlene Koehler, a Certified Shorthand Reporter and Notary Public do hereby CERTIFY that I recorded stenographically the proceedings herein, at the time and place noted in the heading hereof, and that the foregoing is an accurate and complete transcript of same, to the best of my knowledge and belief.

  
Charlene Koehler  
Charlene Koehler

Dated: August 21, 2013



STATE OF NEW YORK - COUNTY OF ORANGE

-----X

In the Matter of  
CPV VALLEY, LLC  
(Public Hearing)

**ORIGINAL**

-----X

Monday - 10:00 a.m.  
August 12, 2013  
Town Hall  
80 Ridgebury Hill Road  
Slate Hill, New York

B E F O R E:

ROBERT ARMISTEAD, Chairman of the I.D.A.

PRESENT:

KEVIN DOWD, ESQ.  
Representing the I.D.A.

JAMES O'DONNELL,  
Consultant to the I.D.A.

STEVE REMILLARD, CPV

COVENANT REPORTING  
Certified Shorthand Reporting  
26 Fleetwood Drive  
Newburgh, New York 12550  
(845) 564-7477

1 -Public Hearing-

2 CHAIRMAN ARMISTEAD: Again, good  
3 morning. I'm Bob Armistead, Chairman of the  
4 I.D.A. To my left is Kevin Dowd, our Orange  
5 County I.D.A. attorney. To his left is James  
6 O'Donnell, former executive director of the  
7 I.D.A. but in a consultant capacity working on  
8 the side with us.

9 We have some representatives of CPV  
10 here. We'll open the public hearing with the  
11 attorney reading the public notice.

12 MR. DOWD: Thank you, Mr. Chairman.

13 Notice is hereby given that public  
14 hearings pursuant to Article 18-A of the New York  
15 General Municipal Law will be held by the Orange  
16 County Industrial Development Agency on August  
17 12th, 2013, at the following times and locations:  
18 One, ten a.m. local time in the meeting room at  
19 the Wawayanda Town Hall, 80 Ridgebury Hill Road,  
20 Slate Hill, New York, 10973, and two, two p.m.  
21 local time in a conference room at the Middletown  
22 Thrall Library, 11-19 Depot Street, Middletown,  
23 New York, 10940, in connection with the following  
24 matter.

25 CPV Valley, LLC, a Delaware limited

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1  
2 liability company, for itself or on behalf of an  
3 entity formed or to be formed, has submitted an  
4 application to the Agency requesting the Agency's  
5 assistance with respect to a certain project  
6 consisting of (A)(1), the acquisition by the  
7 Agency of fee title to, or a leasehold interest  
8 in, an approximately 122-acre parcel of vacant  
9 land located on Route 6, Tax Map I.D. numbers  
10 4-1-38.33, 4-1-38.32 and 4-1-40.22 in the Town of  
11 Wawayanda, Orange County, New York.

12 Two, the construction on the fee  
13 parcel of an approximately 80,000 square foot  
14 combustion turbine building, an approximately  
15 40,000 square foot steam turbine building, an  
16 approximately 7,000 square foot water treatment  
17 building, and an approximately 300 square foot  
18 fire water pump building to be used by the  
19 company to house a nominally rated 630 megawatt  
20 combined cycle electrical generating facility and  
21 associated interconnection facilities.

22 Three, the acquisition in and  
23 around the fee parcel improvements of certain  
24 items of power generation and related equipment  
25 to include two combustion turbine generators, one

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1  
2 steam turbine generator, two heat recovery steam  
3 generators and three generator step-up  
4 transformers. Certain plant equipment to include  
5 an air cooled condenser, water treatment and  
6 process water pumps and tanks, certain power  
7 transmission equipment to include an electric  
8 switchyard and transmission cable and pole  
9 structures, certain water supply and discharge  
10 equipment to include system piping and pumps,  
11 water treatment equipment and water discharge  
12 equipment, certain fuel supply system equipment  
13 to include system piping, pumps, compressors and  
14 meters, and other tangible personal property.

15 B, the acquisition by the Agency of  
16 a leasehold interest in easements covering, in  
17 the aggregate, approximately 1.0 acres of vacant  
18 land located along Route 17M, Tax Map I.D.  
19 numbers 5-5-18.1 and 64-1-1.1 in the Town of  
20 Wawayanda and City of Middletown, New York, and  
21 the construction on portions of the easement  
22 parcel of an interconnection substation  
23 consisting of a gas insulated switchgear building  
24 and associated improvements and equipment, and C,  
25 the Agency's acquisition of leasehold interests

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1  
2 in various easements in the Town of Wawayanda and  
3 the City of Middletown for water and sewer line  
4 improvements related to the Electric Generating  
5 Plant, the Utility Line Easements and  
6 Improvements, and collectively with the fee  
7 parcel, the fee parcel improvements, the  
8 equipment, the easement parcel and the GIS  
9 building, the facility.

10 The Agency will acquire a leasehold  
11 interest in the facility and lease the facility  
12 back to the company. The company will operate  
13 the facility during the term of the lease. At  
14 the end of the lease term, the Agency's leasehold  
15 interest will be terminated. The Agency  
16 contemplates that it will provide financial  
17 assistance to the company in the form of sales  
18 and use tax exemptions, a mortgage recording tax  
19 exemption and a real property tax abatement, all  
20 consistent with the policies of the Agency unless  
21 procedures for deviation are complied with.

22 A representative of the Agency will  
23 be at the above stated times and places to  
24 present a copy of the Company's project  
25 application and hear and accept written and oral

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2                    comments from all persons with views in favor of  
3                    or opposed to or otherwise relevant to the  
4                    proposed financial assistance.

5                    Dated August 1st, 2013, by the  
6                    Orange County Industrial Development Agency.

7                    CHAIRMAN ARMISTEAD: Thank you,  
8                    Kevin.

9                    I would ask, Steve, do you want to  
10                    make any comments or if I should see if the  
11                    public has any questions.

12                    I'll open to the public for any  
13                    questions that they might have. If you have a  
14                    question, stand and state your name and ask the  
15                    question.

16                    MR. HURST: Randolph Hurst, I'm a  
17                    resident of Slate Hill. I'm involved with Sierra  
18                    Club Orange County and Orange Protect Orange  
19                    County. We are completely opposed to this  
20                    project. We feel it is unnecessary. There's no  
21                    demonstrated need for this project for the energy  
22                    it will produce. There's no service going to be  
23                    provided to Orange County or the Hudson Valley.  
24                    And there's plenty of alternative clean energy  
25                    renewable resources available to provide whatever





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2 CHAIRMAN ARMISTEAD: Thank you.

3 MR. HURST: Thank you.

4 CHAIRMAN ARMISTEAD: Steve, do you  
5 want to comment?

6 MR. REMILLARD: Steve Remillard  
7 from CPV. We've been through the project for  
8 many years in the community, intense review.  
9 We've looked and helped shape the project with  
10 the feedback that we've gotten over the past  
11 several years from the various agencies and  
12 bodies that have reviewed the project. We firmly  
13 believe there is a market for the power. We're  
14 very --

15 MR. HURST: Can you document that?

16 MR. REMILLARD: We appreciate what  
17 the I.D.A. has done working with us to understand  
18 the economics related to the project. And of  
19 course, with the, we understand the I.D.A.'s role  
20 in terms of helping develop and attract economic  
21 stimulus. So we believe this project fits within  
22 that, the guise of the I.D.A.

23 Again, we firmly believe it's a  
24 good project. Well developed and it's well  
25 placed.

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2 CHAIRMAN ARMISTEAD: Thank you,  
3 Steve.

4 MR. REMILARD: Thank you.

5 MS. WINNE: Yes. Dorothy Winne,  
6 W-I-N-N-E. I live in Ridgebury which is not too  
7 far from where the plant will be built.

8 My concern is water. I live in a  
9 community where there is very little water  
10 available for residents to use. The Town of  
11 Wawayanda has been unfriendly to any suggestions  
12 as to help the residents of my community with  
13 water. I believe that this plant will be getting  
14 water from Middletown, gray water; I don't really  
15 understand all of it, but environmentally water  
16 is the most important thing to me. No one can  
17 live in a community without water.

18 Just this week on the street where  
19 I live one of my neighbors had to have his pump  
20 pulled because it burned out because of lack of  
21 water. I believe that Wawayanda is not concerned  
22 about the community here. They are looking for  
23 money. It won't go to me or my neighbors who  
24 need water. They're looking to help the gas  
25 industry. I am opposed also to this project. I

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2 do not think it's going to help Orange County,  
3 New York, or anybody.

4 CHAIRMAN ARMISTEAD: Thank you.

5 Steve, do you want to comment on  
6 that?

7 MR. REMILLARD: Sure. We  
8 definitely understand that water is a precious  
9 resource and the Lead Agency, the Planning Board  
10 of the Town of Wawayanda made that very clear at  
11 the beginning of the outset of the project.

12 There were two things that were  
13 done during the development of the project. One,  
14 the overall design, it's an air cool design so it  
15 minimizes the use of water. So a comparable  
16 plant might use millions of gallons a day. When  
17 we're operating in the heat of the summer which  
18 is a very -- that will be sort of a peak time, we  
19 use about 150,000 gallons a day. So  
20 significantly less.

21 And as you mentioned, we're  
22 purchasing the water from the City of Middletown.  
23 It's a gray water is the water that's treated  
24 from the sewer treatment plant, filtered, cleaned  
25 up and then discharged and it's actually

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2 considered basically a way stream. We're  
3 actually using that for our water supply instead  
4 of tapping into any of the aquifer or anything  
5 that would be used by residential or the  
6 community for their water supply.

7 CHAIRMAN ARMISTEAD: Okay. Yes?

8 MS. WINNE: The gentleman should be  
9 aware that there's a finite amount of water and  
10 that the people of Wawayanda have wells. We do  
11 not have a public water supply. We have well  
12 water, and some of the parts of Wawayanda have  
13 water districts, but the Town of Wawayanda has  
14 not been sensitive to the fact that when a  
15 homeowner loses water, someone else moves in next  
16 door, their water is taken and they don't have  
17 water. We've been struggling with this in my  
18 home for 36 years. So although you believe that  
19 it's easy to purchase water from Middletown in  
20 order to run this plant, it does not help anybody  
21 here in Wawayanda. And Middletown has problems  
22 at times with water as well.

23 I believe that will not solve my  
24 problem, your solution that we're buying water  
25 from somewhere else. All over the world there

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2 are water problems where people don't even have  
3 drinking water. So more energy, more  
4 electricity, a plant in this area is not going to  
5 help anybody.

6 CHAIRMAN ARMISTEAD: Okay. Any  
7 other questions?

8 MR. HURST: Yes. Two questions.  
9 One on the question of the cooling water, the  
10 gray water that you plan to use, my understanding  
11 is that the water would not be sufficiently clean  
12 enough for use in cooling your plant, that you  
13 needed to develop additional facilities to purify  
14 that water further and add chemicals to it; is  
15 that correct?

16 MR. REMILLARD: There's an  
17 additional filtration that is done and then  
18 there's chlorination, there's disinfectant that's  
19 done to the water and there is purification that  
20 is done that is part -- so it can go inside the  
21 boilers. It's not used for cooling purposes,  
22 it's used for the steam process.

23 MR. HURST: So that's returned to  
24 the Middletown sewer plant and then discharged  
25 into the Wallkill River; is that correct, right?

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2 Now, will that jeopardize the City of Middletown  
3 SPDES permit or their license to operate their  
4 sewer plant?

5 MR. REMILLARD: No. What we're  
6 doing is actually taking their water and cleaning  
7 it up more for our process and then discharging  
8 that, the water that we don't use, back to them.

9 MR. HURST: And that will go into  
10 the Wallkill and then the Hudson.

11 MR. REMILLARD: Via the wastewater  
12 treatment facility, yes.

13 MR. HURST: The other thing I'd  
14 like to point out, this facility, although it's  
15 considered to be clean energy, is going to  
16 produce 2 million, nearly 2,200,000 tons of  
17 greenhouse and toxic gases, VOCs, and a whole  
18 array of methane gas and neurotoxins. Things  
19 that are going to be devastating to the health  
20 and welfare of the people of Orange County.

21 CHAIRMAN ARMISTEAD: Sir, not to  
22 cut you off. We're here to talk about what the  
23 I.D.A. was going to do. There was a public  
24 hearing on the specifics and I believe it was  
25 pretty well vetted. I attended that meeting

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2 myself as Chairman.

3 MR. HURST: I was there.

4 CHAIRMAN ARMISTEAD: I know you  
5 were. There was a full house there and there  
6 were a lot of questions back and forth.

7 Not to cut you off, but the purpose  
8 of this public hearing is for the facilitating of  
9 any kind of incentives, tax incentives for the  
10 project. But I appreciate the comments that are  
11 made by the public but this is not the forum for  
12 that but I would strongly suggest you take it  
13 back to your board, that they're the ones that  
14 vetted this project. Okay?

15 MR. HURST: So what does the I.D.A.  
16 get out of doing this?

17 CHAIRMAN ARMISTEAD: Well, if you  
18 know the mission of the I.D.A., we're all county  
19 residents like yourself. You know we're there  
20 to, for economic development, produce jobs,  
21 better the life of all of our county's residents;  
22 and the fact of just economic stimulus, as I  
23 said, jobs are created on this project, permanent  
24 jobs.

25 MR. HURST: 25 permanent jobs.



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2 CHAIRMAN ARMISTEAD: I'm sorry?

3 MR. HURST: 25.

4 MR. REMILLARD: That's right.

5 CHAIRMAN ARMISTEAD: Yes.

6 MR. HURST: That's a lot of jobs.

7 CHAIRMAN ARMISTEAD: High paying  
8 jobs, too. I mean, we could be debating the pros  
9 and cons --

10 MR. HURST: Are there going to be  
11 any requirements that they hire local people?

12 CHAIRMAN ARMISTEAD: Yes, yes.

13 MR. HURST: Orange County?

14 CHAIRMAN ARMISTEAD: Yes, they have  
15 a PLA in place. Local buildings trades will be  
16 used for the construction side of it, that's for  
17 sure. We have the support of local Orange County  
18 residents in the building construction side.

19 MR. HURST: No, they do not. No, I  
20 disagree with you. They have the support of some  
21 of the people, particularly the people who they  
22 have organized to come to the hearing and  
23 intimidate the local residents. They manipulated  
24 the system, you know it, I know it and the public  
25 knows it. This is what they've done consistently

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2 across the board. They've done it in  
3 Massachusetts. They've done it elsewhere and  
4 they're doing it here.

5 CHAIRMAN ARMISTEAD: That's your  
6 opinion, sir.

7 MR. HURST: That's my opinion.

8 CHAIRMAN ARMISTEAD: Are there any  
9 other questions here? Yes, ma'am?

10 MS. WINNE: Just a comment.

11 The I.D.A. is concerned with  
12 economic development. You can't have economic  
13 development in a community that doesn't have  
14 water, that the residents are in need of water.  
15 Their property values go down, everything goes  
16 down when a home doesn't have water.

17 CHAIRMAN ARMISTEAD: I appreciate  
18 that comment, but again, I don't know that, in  
19 fact, is the case. CPV has demonstrated they had  
20 are bringing gray water in, water that is going  
21 to waste now, coming out of the wastewater  
22 treatment plants. It's going to waste. The fact  
23 is this is sustainable, this engineering process.

24 MS. WINNE: And adding chemicals to  
25 water is not sustainable. To make it clean

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2 enough to use.

3 CHAIRMAN ARMISTEAD: Any other  
4 questions? I guess that's it. Okay? Okay.  
5 Thank you for everyone's comments and for  
6 attending the public hearing. The board will  
7 convene, we have a meeting in a couple of weeks,  
8 they'll decide on what we will be doing for this  
9 project.

10 MR. REMILLARD: Thank you.

11 CHAIRMAN ARMISTEAD: Thank you all  
12 for coming.

13 (Time noted: 10:20 a.m.)

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

I, Charlene Koehler, a Certified Shorthand Reporter and Notary Public do hereby CERTIFY that I recorded stenographically the proceedings herein, at the time and place noted in the heading hereof, and that the foregoing is an accurate and complete transcript of same, to the best of my knowledge and belief.

Charlene Koehler  
Charlene Koehler

Dated: August 21, 2013