

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

September 20, 2006

A regular meeting of the Orange County Industrial Development Agency was convened in public session on September 20, 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 Van Leeuwen, James Petro

ABSENT: Daniel Coleman

ALSO PRESENT: William Trimble – Administrator Director  
Edda Eller, Recording Secretary  
Phil Crotty - Attorney  
Maureen Halahan , Michael Torelli – Orange County Partnership  
Jay F. Jason - Jason, Nesson & Swift, L.L.P.  
Lee Browning – for Airport Properties  
Richard O’Beirne – for Airport Properties  
Michael Levensohn, Tim Logan – Times Herald-Record

Opening the meeting, Chairman David MacFarland asked for a motion to appoint James Petro, Jr. to Second Vice Chairman position, filling a vacancy of same. Stephen Brescia made a motion seconded by Henry Van Leeuwen to appoint James Petro, Jr. to fill vacant position. Affirmative votes of all members present resulted in motion carried.

Chairman David MacFarland asked for a motion to approve July 19, 2006 minutes. Henry Van Leeuwen made a motion to approve minutes and Robert Armistead seconded motion. Minutes of July 29th approved by all members present.

Treasurer’s report for July and August 2006 was presented. John Steinberg made a motion seconded by Robert Armistead to approve Treasurer’s report. Treasurer’s report approved by all members present as submitted.

Treasurer Henry Van Leeuwen presented the following Receivables: IBM Fees of \$814,715.19 deposited into Community Bank of Sullivan CD, Clancy’s Volcanic Snacks \$5,000 application fee, Air-Car-Go \$5,000 application fee, The Castle \$30,610 administrative fee and \$8,000 pass-thru legal fees, Tuxedo Place LLP \$1,043 pro-rata insurance, Amscan \$16,170 pro-rata insurance, Highland Falls Preservation, LP \$5,000 application fee, River to River Holding (Orange County Chamber) \$27,000 administrative fee and \$8,000 pass-thru legal fees, Times Herald-Record \$7.50 copies of minutes foil request. Presented were the following vouchers for payment: Pass-thru application fees to Harris Beach, PLLC \$2,500 for Air-Car-Go, \$2,500 for Milwood Place LLC, \$2,500 for Clancy’s Volcanic Snacks, pass-thru application to Philip Crotty \$2,500 for Air-Car-Go, \$2,500 for Milwood Place LLC, \$2,500 for Clancy’s Volcanic Snacks, \$2,500 for R.W. Webb, pass-thru legal fees of \$8,000 for Castle Fun Park, \$8,000 for Orange County Chamber, Philip Crotty retainer July 19 – September 20 \$1,666, Orange County Partnership 4<sup>th</sup> bi-monthly \$33,333.34, HDR consulting services for Drury Lane Project \$3,388, Nugent & Haeussler \$10,000 for annual audit 12/31/05, Edda Eller 3<sup>rd</sup> quarter \$1,625 and NYS Insurance Fund \$401.38 for Workers Compensation. John Steinberg made a motion seconded by Robert Armistead to approve vouchers for payment. Motion approved by all members present.

In the absence of an Orange County Community College representative, IDA members received a written updated report to file.

Henry Van Leeuwen suggested to table for the time being the Drury Lane Project update. Planned is a meeting with a State representative. SPARK had a meeting and wants the land.

William Trimble discussed various articles received from EDC Advance/NY regarding IDA reforms. NYSEDC is stepping up efforts to win permanent ‘civic facility’ authority, comptroller offers ideas on IDA reforms and training for board members of public authorities.

Presented was information and update regarding the Orange Regional Medical Center’s of rental prepayment and bond redemption. The Hospital is required to make rental payment pursuant to Section 5.3(a) of the Lease Agreement. Pursuant to

Section 5.5 of the Lease Agreement, the Hospital at any time may pay moneys to the Trustee for deposit in the applicable Bond Fund under the Indenture (a) as a partial or complete prepayment of the amount to become due pursuant to Section 5.3(a) of the Lease Agreement, or (b) to be used for the redemption of bonds as provided in Section 2.05 of the Indenture. Pursuant to Section 5.5 of the Lease Agreement, the Hospital is to notify the Issuer and the Trustee in writing of any such payment.

Philip Crotty updated members regarding Breonics. Attorney Richard Drake has been in personal contact with Ernie Green, President of Breonics. Breonics is offering the equipment in satisfaction of the IDA debt. Since there are no personal guarantees and the company is out of business there are no other viable options. The task is coordinating the transfer and/or sale of the equipment... David MacFarland recommended contacting Richard Drake to get appraisal on equipment to what steps should be taken.

Presented was an update 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. A public hearing with respect to such project is scheduled and should have the update for members at the next meeting.

An updated report from Stewart International Airport was presented to members of the IDA.

IDA members scheduled a meeting for October 5, 2006 at 3:00 p.m. for a work session to discuss, revise and/or approve By-Laws.

Presented for discussion was a letter from Town of New Windsor Supervisor George A. Green stating his approval of the proposed Hilton Homewood Suites a Stewart Airport to designate the same as a tourism designation. Robert Armistead excused himself and left the meeting at this time because of conflict of interest. Philip Crotty noted that a public hearing was held on August 23, 2006. After a discussion a final Resolution was presented authorizing the execution and delivery of the Lease Agreement, Leaseback Agreement, Payment-In-Lieu-Of-Tax-Agreement and if necessary a mortgage and related document with respect to the Airport Properties II, LLC Project. Stephen Brescia made a motion seconded by Henry Van Leeuwen to approve Resolution as presented. Affirmative votes of all members present with one abstain, motion carried.

Presented was a Resolution accepting the application of Highland Falls Preservation LP with respect to a project located at the 40 West Point Highway, in the Village of Highland Falls, Orange County, New York for financial assistance and authorizing a public hearing to such project. Henry Van Leeuwen made a motion seconded by James Petro to approve Resolution as presented. Affirmative votes of all members present resulting in motion carried.

Presented was Resolution approving contingency funding relative to 400 acres at Stewart Properties. The Orange County IDA and the County of Orange and three municipalities are pursuing the acquisition of 400 acres, more or less, from New York State. In order for the IDA to conduct due diligence it is essential to acquire a full appraisal on behalf of this Agency (\$5,000), and a wetlands delineation and report on the Indian Bat (\$20-25,000), as based on an e-mail from an engineering firm. John Steinberg made a motion to authorize the amount of \$35,000 to be expended for an appraisal if such expenditure is necessary and appropriate for ongoing negotiations regarding the land acquisition with New York State officials. James Petro seconded motion and affirmative votes of all members present resulted in motion carried.

Administrative Director, William Trimble, provided members with an update, reporting that fees have been collected from projects that went to closing and he will attend a Seminar on November 1<sup>st</sup> being held by the Office of Business Assistance which will include information regarding the IDA. The IDA's Bond Counsel will be attending and speaking.

It was decided to send out an RFP to conduct the annual audit for the IDA.

Stephen Brescia made a motion to reserve a table for Pattern for Progress' annual membership dinner on November 2, 2006. Henry Van Leeuwen seconded motion and affirmative votes of all members present resulted in motion carried.

John Steinberg made a motion to reserve a table at the Orange County Partnership's annual dinner on December 5, 2006. Henry Van Leeuwen seconded motion and affirmative votes of all members resulted in motion carried.

James Petro made a motion that this meeting be duly adjourned the time being 4:05 p.m.

Edda Eller  
Recording Secretary