



Empowering Businesses. Inspiring Growth.

Robert T. Armistead, Chairman • **Mary Ellen Rogulski**, Vice Chairman • **John Steinberg, Jr.**, Second Vice Chairman
Stephen Brescia, Secretary • **Edward A. Diana**, Assistant Secretary • **Robert J. Schreiber, Sr.** • **Michael Bonura**
Laurie Villasuso, Chief Operating Officer & Executive Vice President • **Vincent Cozzolino**, Managing Director
Kevin Dowd, Attorney • **Russell E. Gaenzle**, Harris Beach • **Joel Kleiman**, Chief Financial Officer

Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on September 21, 2017 at 2:00 p.m. at the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York, to consider and/or act upon the following:

Order of Business

- **Roll Call**
- **Approval of the minutes from August 10, 2017 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - Chairman's Report
 - Chief Operating Officer Report
 - Board Committee Reports (as needed)
- **Applications/Resolutions**
 - Merlin Entertainments Group US Holdings, Inc.
 - Final Resolution
 - Oxford Commerce Center, LLC
 - Initial Resolution
- **Other Board Business**
- **Executive Session**
- **Adjournment**

Dated: September 14, 2017

Stephen Brescia, Secretary

By: Laurie Villasuso, Chief Operating Officer & Executive Vice President

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

August 10, 2017

A regular meeting of the Orange County Industrial Development Agency was convened in public session on August 10, 2017 at 2:03P.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, Edward Diana, Stephen Brescia, Robert Schreibeis

ABSENT: John Steinberg, Michael Bonura

ALSO PRESENT: Laurie Villasuso – Chief Operating Officer
Kevin Dowd – IDA Attorney
Joel Kleiman – Chief Financial Officer
Vincent Cozzolino – Managing Director
Melanie Schouten – Project Manager
Lisa Sommers– Focus Media
Maureen Halahan – OCP
Lynn Cione – OC Chamber
Phillip Newhard – OC Chamber
Wayne Booth –Orange County Executive Office

Chairman Armistead calls to order the regular meeting of the Orange County IDA, August 10, 2017 (Pledge of Allegiance is recited). Board consists of five members. There is a quorum.

Roll Call is taken.

Minutes

Review of the prior June 08, 2017 meeting minutes. Motion to approve the minutes is made by Ms. Rogulski, seconded by Mr. Diana. Motion carries with all in favor.

Executive Session

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(f) of the open meetings law to discuss the financial, credit and/or the employment history of particular clients of the IDA. Motion made by Ms. Rogulski to enter executive session issued. Motion seconded by Mr. Schreibeis. All in favor.

Enter Executive Session

The members discuss the financial, credit and/or the employment history of particular clients of the IDA.

End Executive Session

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the financial highlights that were approved by the Audit Committee for July 2017. Application and Labor Audit funds were received from Montel LTD, as well as the yearly payment from CPV.

Mr. Kleiman reviews the summary of IDA bank accounts, certificate of deposits, and money market accounts that reflect a total of \$12,485,101, as of July 31, 2017. A new CD was opened in early August and a current CD is maturing at the end of August. Once it matures, it will go out to bid.

Mr. Kleiman reviews the income and expense summary, noting that YTD is \$2,297,732, and YTD expenses are \$325,682, with revenues exceeding expenses by \$1,972,050. Current expenses are positive to budget.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues YTD are \$166,070, and expenses are \$958,265. Expenses, as anticipated, exceed revenues by \$792,194.

The IDA received two payments from IBM in July. Shortly after receiving the funds, an e-mail was received from IBM stating that it is believed that they may have over paid. As a result, JGS is currently conducting an audit from 2014 to 2016. Once that is complete, a contract will be drafted for them to conduct a 2017 audit. The findings will bring light to any existing discrepancies over the years on either side.

Chairman Armistead asks for a motion to approve the vouchers and payments in the amount of \$34,658.80. Motion made by Mr. Brescia, seconded by Mr. Schreiber, that the Board accept the financial reports and authorize IDA payments and vouchers. Open for discussion. Affirmative votes of all members present results in motion carried.

Mr. Kleiman informs the board that several months ago a RFP was sent soliciting proposals for a new bookkeeping firm to replace the current firm. It was advertised in the Times Herald Record, and individual invitations were sent out. Mr. Kleiman has interviewed and reviewed the credentials of a respondent to the RFP, and approval is being requested to move forward once a contract has been negotiated.

Mr. Armistead informs the board that this was discussed during the Audit Committee meeting and this bookkeeping service is recommended by the IDA accounting firm.

Motion is made by Ms. Rogulski, seconded by Mr. Schreiber, authorizing the retention of R&D Legal Bookkeeping, Inc. to provide general bookkeeping services to the IDA. Affirmative votes of all members present results in motion carried.

Chairman's Report

Chairman Armistead passes on giving a Chairman's Report.

Chief Operating Officer Report

Ms. Villasuso informs the board that Loewke Brill is working on some supplemental policies. The first is regarding bidding discrepancies between local and non-local companies. A policy has been drafted to ensure that companies are doing everything they can to make sure their bids are effective across the board. The second is a "three strikes" policy in which companies are given three opportunities to respond to auditors. If the project has not responded by the third time, the project will be brought before the board to take action.

Mr. Armistead states that as the audits progress, the board is learning new things and it is bringing light to any gaps in the Labor Policy.

Ms. Villasuso states that management continues to evaluate the policy, and edits will be made for the coming year.

Ms. Villasuso informs the board that she and Mr. Cozzolino are scheduled to attend the E&E Committee meeting on August 21st. They will be discussing the Middletown Accelerator and give a general overview of Accelerator progress.

Management met with Orange County Real Property to discuss PILOT oversight and the possibility of streamlining payments. Though the IDA stays in contact with each project every year, the ABO audit has indicated that additional detail regarding payments made by projects can be taken. Real Property does not want to be responsible for all billing, and as a result IDA management will need to be more diligent moving forward. Mrs. Villasuso, Mr. Dowd, and Mr. Kleiman will be meeting in the near future to discuss the best plan of action.

Ms. Villasuso informs the board that the lease is under way for the Middletown Accelerator. Currently, nine companies are expected to reside onsite. A meet and greet with these companies and the stake holders will take place on August

16th. The meeting will introduce these entrepreneurs to the leaders of Touro College, Fei Tien, and SUNY Orange, and inform them of available local resources.

The sewing cluster continues to grow at the New Windsor Campus. There are three onsite sewing companies that are assisting this cluster: Lucky Bug, MELO, and in the near future Spoiled Rotten. Along with hiring a collective 10 employees, the companies are collaborating to host training courses and acquire equipment.

Accelerator management is working on developing a network of Accelerator locations in Orange County. Beyond the current New Windsor and Middletown Campus, Warwick, Highland Falls, and Port Jervis are potential satellite locations.

Ms. Schouten and team have submitted a NYSTAR Accelerator progress report to the state. Once evaluated and approved by the state, reimbursement funds can be expected.

The OC IDA audit was discussed in Executive Session. Ms. Villasuso requests a motion to authorize the response letter that was submitted to the ABO.

Motion is made by Mr. Schreibeis, seconded by Ms. Rogulski, authorizing the chairman to issue a response and corrective action plan to the office of the state comptroller's draft audit report dated May, 2017. Affirmative votes of all members present results in motion carried.

Discussions

No Discussions are presented.

Executive Session

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(f) of the open meetings law to discuss the financial, credit and/or the employment history of particular clients of the IDA. Motion made by Ms. Rogulski to enter executive session issued. Motion seconded by Mr. Schreibeis. All in favor.

Enter Executive Session

The members discuss the financial, credit and/or the employment history of particular clients of the IDA.

End Executive Session

Such other and further business as may be presented

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Ms. Rogulski, seconded by Mr. Schreibeis, the time being 3:38 p.m.

Orange County IDA

September 2017

Funds Received

Amy's Kitchen Inc.	271,862.50
Oxford Commerce Center, LLC (application fee)	5,000.00
Oxford Commerce Center, LLC (Labor Audit Escrow)	10,000.00
Total	\$ 286,862.50

Vouchers & Payments

Loewke Brill Consulting Group, Inc. (August 2017)	3,305.00
Kevin Dowd, Esq (Legal Services August 1 - August 31, 2017)	7,670.00
Rosemarie Rogowski, CPA (August 2017)	250.00
The Accelerator (4th Quarter)	282,546.75
KPMG LLP	11,500.00
Total	\$ 305,271.75



Industrial Development Agency
ORANGE COUNTY NEW YORK

Empowering Businesses. Inspiring Growth.

**APPLICATION FOR
FINANCIAL ASSISTANCE**

MALCOLM MYERS

OXFORD COMMERCE CENTER LLC

(Applicant Name)

AUGUST 17 2017

(Date of Application)

**Robert T. Armistead
Chairman**

Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553

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

www.ocnyida.com

business@ocnyida.com

Updated February 1, 2017

**ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

APPLICANT

Company Name: OXFORD COMMENCE CENTER LLC
Mailing Address: PO BOX 1172 MONROE NY 10949
Phone No.: 845-637-9209
Fax No.: -
Fed Id. No.: 82-1659364
Contact Person: MALCOLM MYERS
Contact Email: mm@goshentflexspace.com

APPLICANT'S COUNSEL

Name: BLUSTEIN, SHAPIRO, RICHARD BARONE LLP
Address: 10 MATTHEWS ST. GOSHEN NY 10924
Phone No.: 845-291-0011
Fax No.: -
Counsel Email: mblustein@mid-hudsonlaw.com

APPLICANT'S GENERAL CONTRACTOR/CONSTRUCTION MANAGER

Name/Contact: CRAVEN WALK HOLDINGS/FINDLAY ESTATES LLC
Address: 72 LAFAYETTE AVENUE, SUFFERN, NY, 10901
Phone No.: 845-248-0496
Fax No.: -
Email: Findlayestates@gmail.com

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

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

Form of Entity

Corporation

Date of Incorporation: _____
State of Incorporation: _____

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: 05/24/17
State of Organization: NEW YORK

Sole Proprietorship

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

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.

NO

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

II. PROJECT INFORMATION

A) Project Address: POLICE HIGHWAY (OFF ROUTE 6) GOSHEN NY 10924

Tax Map Number 13-1-S. 11 / 13-1-70 / 121-1-1.32
(Section/Block/Lot)

Located in City of ORANGE NY
Located in Town of GOSHEN
Located in Village of GOSHEN
School District of GOSHEN

B) Are utilities on site? NO

Water _____ Electric _____
Gas _____ Sanitary/Storm Sewer _____

C) Present legal owner of the site M/M ORANGE INC
If other than from applicant, by what means will the site be acquired for this project? _____

D) Zoning of Project Site: Current: COMMERCIAL Proposed: _____

E) Are any variances needed? NO

F) 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.

G) Statement describing project (i.e. land acquisition, construction of manufacturing facility, etc.):

LAND ACQUISITION. CONSTRUCTION OF
WAREHOUSING, MANUFACTURING AND OFFICE SPACE.

H) Anticipated Date of Operation: 11/01/17

I) Principal use of project upon completion:

<input checked="" type="checkbox"/> manufacturing	<input checked="" type="checkbox"/> warehousing	<input type="checkbox"/> research	<input checked="" type="checkbox"/> offices
<input type="checkbox"/> industrial	<input type="checkbox"/> recreation	<input type="checkbox"/> retail	<input type="checkbox"/> residential
<input type="checkbox"/> training	<input type="checkbox"/> data process	<input type="checkbox"/> other	

If other, explain: _____

J) Estimated Project Costs, including:

Value of property to be acquired: \$ 2,000,000

Value of improvements: \$ 7,950,000

Value of equipment to be purchased: \$ 925,000

Estimated cost of engineering/architectural services: \$ 120,000

Other: \$ _____

Total Capital Costs: \$ 10,495,000

Project refinancing; estimated amount
(for refinancing of existing debt only)

\$ /

Sources of Funds for Project Costs:

Bank Financing:

\$ 6,000,000

Equity (excluding equity that is attributed to grants/tax credits)

\$ 4,495,000

Tax Exempt Bond Issuance (if applicable)

\$ /

Taxable Bond Issuance (if applicable)

\$ /

Public Sources (Include sum total of all state and federal grants and tax credits)

\$ /

Identify each state and federal grant/credit:

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

Total Sources of Funds for Project Costs: \$ _____

K) Inter-Municipal Move Determination

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?

Yes or 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 or No

Will the project result in the abandonment of one or more plants or facilities located in the State of New York?

Yes or No

If Yes to any of the questions above, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Project Data

1. Project site (land)

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

24.45 ACRES

(b) Are there buildings now on the project site? _____ Yes No

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

VACANT LAND

(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, 2 BUILDINGS NEW CONSTRUCTION. 1) 75,000 Sq. ft. 2) 70,000 Sq. ft.

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

NO

5. Estimated Start Date of Construction:

11/01/17

6. Estimated End Date of Construction:

04/01/19

7. 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...)

PROVIDING WAREHOUSING, LIGHT MANUFACTURING & INDUSTRIAL

... 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.)

OFFICE SPACE 18%

8. 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% LEASED Usage, Light MANUFACTURING/INDUSTRIAL, WAREHOUSING DISTRIBUTION

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

EARTH MOVING. ANCILLARY MECHANICAL. ESCALATION, PROPERTY MAINTANACE VEHICLES.

10. Has construction work on this project begun?

Complete the following

(a) site clearance	_____ Yes	<input checked="" type="checkbox"/> No	_____ % complete
(b) foundation	_____ Yes	<input checked="" type="checkbox"/> No	_____ % complete
(c) footings	_____ Yes	<input checked="" type="checkbox"/> No	_____ % complete
(d) steel	_____ Yes	<input checked="" type="checkbox"/> No	_____ % complete
(e) masonry work	_____ Yes	<input checked="" type="checkbox"/> No	_____ % complete
(f) other (describe below)	_____ Yes	<input checked="" type="checkbox"/> No	_____ % complete

III. FINANCIAL ASSISTANCE REQUESTED

A) Benefits Requested

Sales Tax Exemption IRB MRT Exemption Real Property Agreement

B.) Value of Incentives:

IDA PILOT Benefit: Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted under the heading "Real Property Tax Benefit (Detailed)" of the Application.

Estimated duration of Property Tax exemption: 10 years

Sales and Use Tax:

Estimated value of Sales Tax exemption for facility construction: \$ 387,563

Estimated Sales Tax exemption for fixtures and equipment: \$ 34,531

Estimated duration of Sales Tax exemption: 3 years

Mortgage Recording Tax Exemption Benefit:

Estimated value of Mortgage Recording Tax exemption: \$ 10,500

IRB Benefit:

IRB inducement amount, if requested: \$ _____

Is a purchaser for the Bonds in place?

Yes or No

Percentage of Project Costs financed from Public Sector sources:

Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above under the heading "Estimated Project Costs" (Section II(1)) of the Application.

C.) Likelihood of Undertaking Project without Receiving Financial Assistance

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

Yes or No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

CURRENT POSITIVE RESPONSES RE JOB CREATIONS

EMPLOYMENT PLAN

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	C	/	97	90
Part time (PTE)	C	/	10	8
Total	C	/	107	98

For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes Orange County and the surrounding region (or six other contiguous counties, including Orange County, chosen at the Agency's discretion).

Salary and Fringe Benefits for Jobs to be Retained and/or Created:

Category of Jobs to be Retained and Created	Estimated Number of Jobs Per Category	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	6	\$58,720/60,600/65	\$3-10k
Professional	2	\$75,165	\$3-10k
Administrative	10	32,340/40,420/30/32	\$1-2k
Production	19	22,240/25,260/25/28	\$0-1k
Independent Contractor			

e-commerce llc

1 senior mgt \$84000
1 junior mgt \$58000
4 admin \$32/34/40/42
6 prod 3x \$25/ 3x\$28

Findlay estates llc

1 mgt \$72000
3 admin \$30/32/36

Famous perfumery

1 prof \$110000
8 prod \$25-\$35

sternonline

2 mgt \$70
1 admin \$30
2 prod \$24/26

JP Filling and Packaging

1 mgt \$65
1 prof \$80
2 admin \$30/32
3prod \$22/24/25

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 Filings 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. The applicant will receive a request for information in the fourth quarter of each year that Financial Assistance is utilized, and agrees to return the information by the end of January the following year.
- F. Compliance with N.Y. GML Sec. 862(1): Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is

reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

- G. Compliance with Applicable Laws: The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- H. False and Misleading Information: The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- I. Recapture: Should the Applicant not expend or hire as presented, the Agency may view such information/status as failing to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.
- J. 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.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss.:

NICHOLAS MYERS, being first duly sworn, deposes and says:

1. That I am the OWNER / CEO (Corporate Office) of OXFORD COMMERCIAL CENTER (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.


(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 17th day of August, 2017.


(Notary Public)

SHERI HENTSCHEL
Notary Public, State of New York
No. 01HE 4943443
Qualified in Orange County
Commission Expires October 24, 2018

This Application should be submitted to the Orange County Industrial Development Agency, c/o Robert T. Armistead, Chairman, Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, NY 12553.

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

Transaction 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: _____

Name: MALCOLM MYERS

Title: Mr/owner


(Notary Public)

Sworn to before me this 17th day
of August, 2017

SHERI HENTSCHEL
Notary Public, State of New York
No. 01HE 4943443
Qualified in Orange County
Commission Expires October 24, 2018

** This section of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
TOTAL							

*Estimates provided are based on current property tax rates and assessment values



To be completed/calculated by AGENCY

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
*Estimated Sales Tax Exemption	\$ _____	New Jobs Created Permanent _____ Temporary _____
		Existing Jobs Retained Permanent _____ Temporary _____
Estimated Mortgage Tax Exemption	\$ _____	Expected Yearly Payroll \$ _____
Estimated Property Tax Abatement	\$ _____	Expected Gross Receipts \$ _____
		Additional Revenues to School Districts _____ _____
		Additional Revenues to Municipalities _____ _____
		Other Benefits _____
Estimated Interest Savings IRB Issue	\$ _____	Private Funds invested \$ _____
		Likelihood of accomplishing proposed project within three (3) years <input type="checkbox"/> Likely or <input type="checkbox"/> Unlikely

* Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's involvement in the Project. PLEASE NOTE: These amounts will be verified and there is a potential for a recapture of sales tax exemptions (see "Recapture" on page 10).

\$ _____ (to be used on the NYS ST-60)

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

Application Fee:

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

IDA Administrative Fee: \$2,500

IDA Transaction Counsel Fee: \$2,500

Labor Policy Monitoring Fee, based on project cost, due at application.

This fee will be deposited into a non-interest bearing escrow account, and will fund the ongoing audit of Labor Policy compliance throughout construction. Any unused funds on deposit with the IDA will be returned to the company upon project completion.

Projects less than \$5M:	\$5,000.00
Projects greater than \$5M but less than \$15M:	\$10,000.00
Projects greater than \$15M but less than \$25M:	\$20,000.00
Projects greater than \$25M:	To be determined

Closing Fee:

IDA Fee

One-percent of the first \$2,000,000 of the project cost (as identified on page 4 of this application), plus one-half percent of amount above that, due at closing (total project cost includes land acquisition costs).*

IDA Transaction Counsel Fee

One-third (1/3) of IDA fee (minimum of \$30,000 – to be reduced for smaller projects on case by case basis - plus out of pocket expenditures).

Local Labor Policy Monitoring

The IDA will use a third party firm or firms to monitor compliance with the Local Labor Policy (attached hereto). All costs incurred by the IDA in connection with such monitoring, should they exceed the amount collected at application, shall be the responsibility of the Company.

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

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:
4 Crotty Lane
New Windsor, NY 12553

*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 project cost (as identified on page 4 of this application).

LABOR POLICY
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Adopted 01-12-17

The Orange County Industrial Development Agency (IDA) was established for the purpose of creating employment opportunities for, and to promote the general prosperity and economic welfare of the residents of Orange County. The IDA offers economic incentives and benefits to qualified applicants who wish to locate or expand their businesses or facilities in Orange County. When the IDA approves a project, it enters into agreements to extend these incentives and benefits to the applicant.

Construction jobs, though limited in time duration, are vital to the overall employment opportunities and economic growth in Orange County. The IDA believes that companies benefiting from its incentive programs should employ local laborers, mechanics, craft persons, journey workers, equipment operators, truck drivers and apprentices (hereinafter "construction workers"), including those who have returned from military service, during the construction phase of projects. In this way, the IDA can generate significant benefits to advance the County's general prosperity. It is, therefore, the policy of the IDA that firms benefiting from its programs shall employ workers from Orange County and the "local labor" market during all project phases, including the construction phase.

For the purpose of this policy, the "local labor" market for construction workers shall be defined as those individuals living in Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland and Westchester Counties. Applicants receiving IDA benefits shall ensure the contractor/developer hire at least 85% from the "local labor" market for their approved projects. The 85% shall be by contractor and in total at the time of completion of the project. The contractor/developer is mandated to keep daily log sheets of all field workers, commencing on the date of application. Any work performed after application shall be included in the determination of overall compliance with the 85% hiring requirements of this policy. A third-party auditing firm will be engaged to monitor construction work commencing on the date benefits are granted by resolution of the IDA Board.

However, the IDA recognizes that the use of local labor may not be possible for the following reasons and the applicant may request an exemption on a particular contract or trade scope for the following reasons:

1. Warranty issues related to installation of specialized equipment whereby the manufacturer requires installation by only approved installers;
2. Specialized construction is required and no local contractors or local construction workers have the required skills, certifications or training to perform the work;
3. Cost Differentials:
 - a. For projects whose project cost exceeds \$15M, significant cost differentials in bid prices whereby the use of local labor and materials significantly increases the sub contract or contract of a particular trade or work scope by at least 20%. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 20% cost differential including, but not limited to, communicating and meeting with local construction trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;
 - b. For projects whose project cost is less than \$15M, significant cost differentials in bid prices whereby the use of local labor and materials

significantly increases the sub contract or contract of a particular trade or work scope by 10% or more. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 10% cost differential including, but not limited to, communicating and meeting with local construction trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;

4. No labor is available for the project; and
5. The contractor requires key or core persons such as supervisors, foreman or "construction workers" having special skills that are not available in the "local labor" market.

The request to secure an exemption for the use of non-local labor must be received from the applicant on the exemption form provided by the IDA or the 3rd party monitor and received in advance of work commencing. The request will be reviewed by the 3rd party monitor and forwarded to the IDA, at which time the IDA's Audit Committee shall have the authority to approve or disapprove the exemption. The 3rd party monitor shall report each authorized exemption to the Board of Directors at its monthly meeting.

In addition, applicants receiving IDA benefits and Contractors on the project shall make every reasonable effort to utilize vendors, material suppliers, subcontractors and professional services from Orange County and the surrounding counties. Applicants and contractors shall be required to keep records of those local vendors, material suppliers, contractors and professional services whom they have solicited and with whom they have contracted with or awarded. This shall be stored in a binder on site and shall be easily available for review by an authorized representative of the IDA, such as the IDA's 3rd party monitor. It shall include any documents for solicitation and contracts. It is the goal of the County of Orange and the IDA to promote the use of local veterans on projects receiving IDA benefits. By partnering with local contractors, local contractor groups, local trade unions and contractors awarded work on IDA projects, there are opportunities for veterans to gain both short term and long term careers in the construction industry.

Once approved for IDA benefits, all applicants will be required to provide to IDA staff the following information:

1. Contact information for the applicant's representative who will be responsible and accountable for providing information about the bidding and awarding of construction contracts relative to the applicant's project;
2. Description of the nature of construction jobs created by the project, including in as much detail as possible, the number, type and duration of construction positions;
3. The names, contact information, certificate of authorization to do business in the State of New York and copies of current Certificates of NYS Workers' Compensation Insurance, NYS Disability Insurance, General Liability Insurance and proof of current OSHA training certification from all contractors' employees performing work on the site; and
4. A Construction Completion Report listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged in the construction phase of the project.

All Orange County IDA projects are subject to local monitoring by the IDA and any 3rd party monitor. The applicant and/or the Construction Manager or General Contractor acting as

agent for the applicant on the project, shall keep a log book on site detailing the number of workers, hours worked and counties and states in which they reside. Proof of residency or copy of drivers' license shall be included in the log book, along with evidence of necessary OSHA certifications. Reports will be on forms provided by the IDA or weekly payroll reports which contain the same information as required on the IDA issued form. The applicant and contractors are subject to periodic inspection or monitoring by the IDA or 3rd party monitor.

The 3rd party monitor shall issue a report to the IDA staff immediately when an applicant or applicant's contractor is not in compliance with this labor policy. IDA staff shall advise the Audit Committee and/or IDA Board of non-compliance by email or at the next scheduled meeting. If a violation of policy has occurred, IDA staff shall notify the applicant and contractor in writing of non-compliance and give applicant a warning of violation and 72 hours in which to correct such violation. Upon evidence of continued non-compliance or additional violations, the IDA and/or its 3rd party monitor shall notify the applicant that the project is in violation of the Orange County IDA Labor Policy and is subject to IDA Board action which may result in the revocation, termination and/or recapture of any or all benefits conferred by the IDA.

The IDA will use a third party firm or firms to monitor and audit compliance with this local labor policy, the cost of which shall be paid for by the Company in advance of the audits and held in a non-interest bearing escrow account until audits are complete.

The applicant of an IDA approved project shall be required to maintain a 4' X 8' bulletin board on the project site containing the following information:

1. Contact information of the applicant;
2. Summary of the IDA benefits received;
3. Contractors names and contact information on IDA provided form;
4. Copies of proof of exemption from labor policy;
5. Copies of any warnings or violations of policy;
6. Copy of the Executed Labor Policy.

The bulletin board shall be located in an area that is accessible to onsite workers and visitors, which should be clear and legible at least 10 feet from said board.

The applicant has read the OCIDA Labor Policy and agrees to adhere to it without changes and shall require its construction manager, general contractor and sub-contractors who are not exempt to acknowledge the same. The Applicant understands and agrees that it is responsible for all third-party auditing and monitoring costs.

Malcolm Myers
Applicant Signature

Jacob Grunhut
Signature of CM, GC or SC

OXFORD COMMERCIAL CENTER
Company Name

CRAYON WALL HOLDINGS
Company Name

MALCOLM MYERS
Print Name of above signer

JACOB GRUNHUT
Print Name of above signer

845-637-9204
Email/phone of Applicant

FINALAYESTATES@gmail.com
Email/phone of CM/GC/SC

08/06/17
Date

08/06/17
Date

APPENDIX 1

ANTICIPATED FIGURES FOR POTENTIAL JOB CREATION ON SUCCESSFUL APPROVAL FROM IOA

IV. EMPLOYMENT PLAN

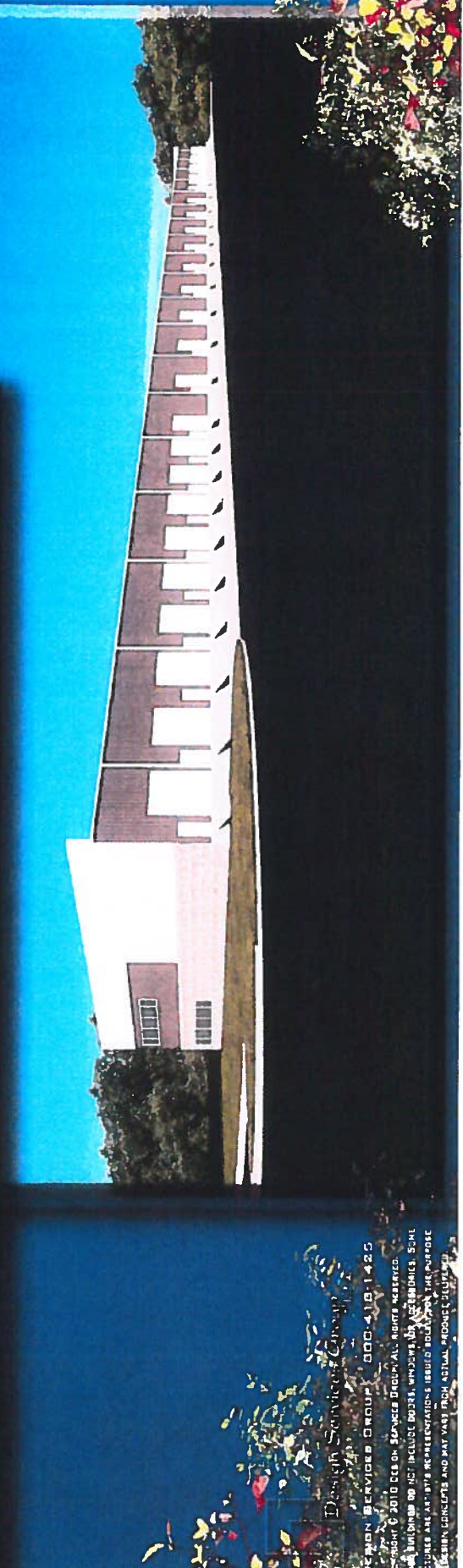
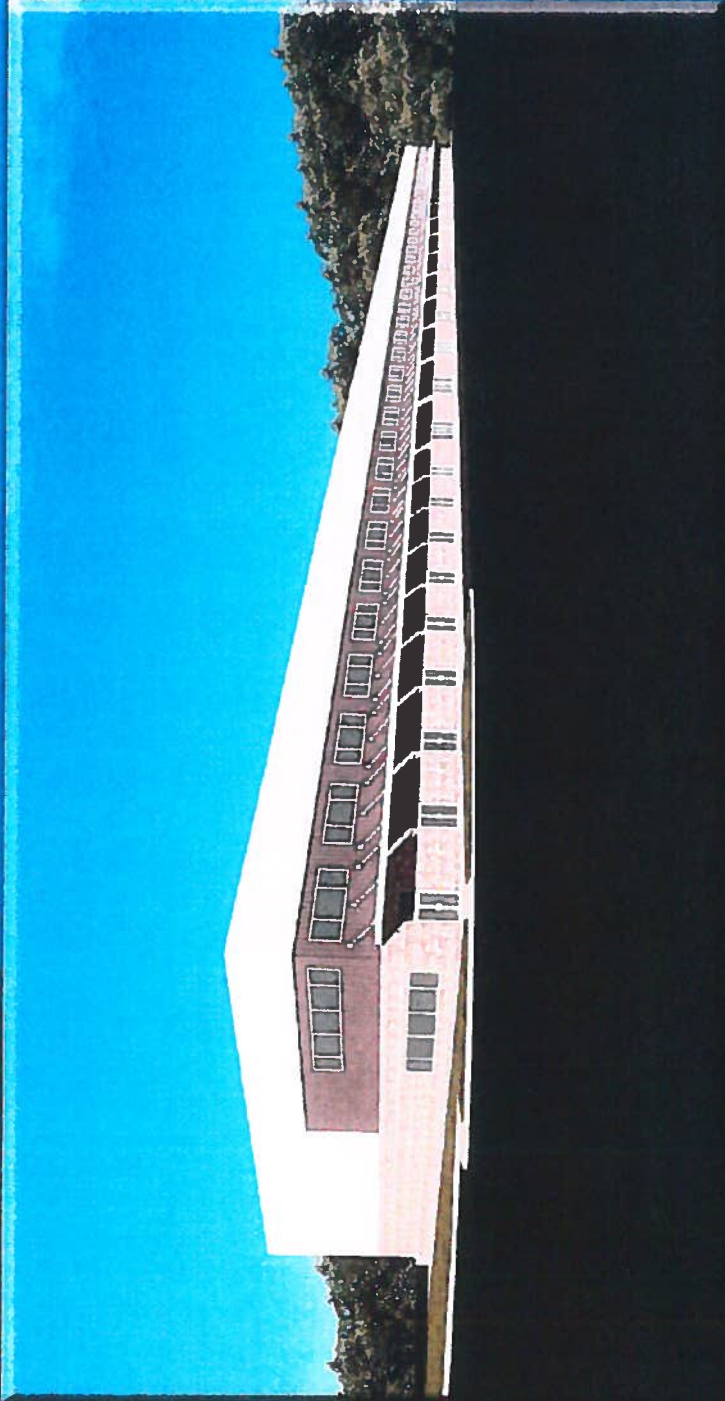
	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	0	/	97	90
Part Time (PTE)	0	/	10	8
Total	0	/	107	98

** For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes Orange County and the surrounding region (or six other contiguous counties, including Orange County, chosen at the Agency's discretion).

Salary and Fringe Benefits for Jobs to be Retained and/or Created:

Category of Jobs to be Retained and Created	Estimated Number of Jobs Per Category	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	10	\$70k - \$110k	\$3 - \$10k PA
Professional	8	\$80k - \$130k	\$5 - \$10k PA
Administrative	24	\$30k - \$60k	\$1 - \$2k PA
Production	65	\$25k - \$55k	\$0 - \$1k PA
Independent Contractor			
Other			

Oxford Commerce Center



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TIMES HERALD-RECORD

Hasidic congregation secures \$8M in public funding

By [Chris McKenna](#)
Times Herald-Record

Posted Aug 10, 2017 at 7:43 PM

Updated Aug 10, 2017 at 8:16 PM

An Orange County agency agreed to issue \$8 million in tax-exempt bonds for a Hasidic congregation in June, money that the group misleadingly said it would use to buy the two boys schools and surrounding property that it had been renting on County Route 105 in Monroe and Woodbury.

Congregation Bnai Yoel's application referred to the property owner as a "related entity," which was an understatement. Public records indicate that the same seven men run both the congregation and Cody Inc., a shell company created in 1990 to hold the congregation's property. And what was presented as a cost-saving property purchase appears, in reality, to have been a method of refinancing a \$5.7 million bank mortgage that Bnai Yoel and Cody Inc. jointly obtained in 2013 and 2014.

There's no sign that the bonding the Orange County Funding Corp. approved for Bnai Yoel was improper, apart from the congregation's deceptive explanation for why it wanted the money. Laurie Villasuso, chief operating officer and executive vice president for the funding agency, said that helping nonprofits refinance their debts is a legitimate use of the corporation's bonding authority. She pointed out the agency did something similar for Mount Saint Mary College in 2012, when it approved up to \$75 million in bonds for the Newburgh college to renovate its Dominican Center and pay off earlier bonds.

The funding corporation is not allowed to issue bonds for religious activities. But its bond attorneys had determined the \$8 million in bonds for Bnai Yoel "was allocable to portions of the school that relate to secular education and other secular school-related activities," Villasuso said.

Yitzchok Tyrnauer, who is board secretary for both Bnai Yoel and Cody Inc. and signed the bond application, didn't respond to calls and emails from the Times Herald-Record to discuss the transaction.

Stephen Weiss, a Long Island financial adviser who spoke for the congregation at the funding corporation's meeting in May, told the Record he had referred the matter to an attorney for the project and hung up.

Edward Ambrosino, the Long Island attorney who represented Bnai Yoel at the same board meeting in New Windsor, didn't return phone calls.

Less than two months before he sat at that Orange County meeting, a federal grand jury on Long Island indicted Ambrosino on eight counts of wire fraud, tax evasion and other charges, accusing him of depositing in his own account \$800,000 in legal fees that belonged to his law firm and failing to pay more than \$250,000 in taxes. Ambrosino, who specializes in economic development and financing, had collected \$1.3 million in payments from two Nassau County economic development agencies from 2013 to 2015 according to federal authorities. He's free on \$250,000 bail while his criminal case is pending.

Refinancing

County records show that Bnai Yoel and Cody Inc. borrowed \$5.7 million from the Bank of Princeton through two transactions in 2013 and 2014. The purpose of the mortgage, according to a court petition they submitted to get permission to borrow, was to pay off \$4.6 million in private loans and a 2006 mortgage on which the congregation still owed just more than \$300,000.

The court papers listed 23 private loans and indicated they had been made to pay for school construction. A financial statement noted that several Bnai Yoel board members had personally lent the congregation \$914,000, and said that most of the private loans were repaid right after the initial Bank of Princeton mortgage in 2013.

Bnai Yoel was founded in 1989 and runs religious schools for Kiryas Joel families who don't belong to the Hasidic community's main congregation or use its yeshiva system, known as the United Talmudical Academy. About 2,000 children now attend Bnai Yoel schools, according to the bond application.

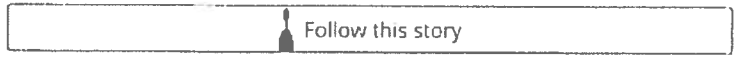
The congregation's bond application in March said it was borrowing \$8 million to help buy the two schools for \$11.5 million. It stated the transaction would provide "lower debt service and lower annual operating costs" and create 20 jobs, giving no

explanation for the new jobs

The county agency that approved the bonds has the same seven-member board and support staff as the county's Industrial Development Agency, but serves a different purpose. The IDA offers property tax abatements and other tax breaks to encourage companies to locate or expand operations in Orange County. The funding corporation's functions include issuing bonds, typically for nonprofits or manufacturers, according to its mission statement.

The corporation merely acts as a "conduit" for the bonds, which means Brav Yoel has sole responsibility for making regular payments to the bond holders. The corporation plays no part in that debt service and wouldn't be liable if the congregation defaults, Villasuso said.

cmckenna@th-record.com



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Accelerator program grows with its clients

By Daniel Axelrod

Times Herald-Record

Posted Aug 26, 2017 at 4:58 PM

Updated Aug 26, 2017 at 4:58 PM

Older women cry out, "I wish I had a grandchild!"

Younger women say, "I don't know any babies, but I want to buy one anyway."

And men of all ages excitedly shout, "Pancakes!"

Others just smile at the baby apparel bearing designs of breakfast food, farm animals and garden veggies that Lucky Bug Clothing sells at local events and online, said company President Robin Alpert Hayes.

Lucky Bug is one of nine businesses the Orange County Industrial Development Agency's Accelerator incubator program is nurturing, two years after rebranding and refocusing the program to help launch more local companies.

The Accelerator hopes to help even more entrepreneurs with a plan to open five new incubators - in Highland Falls, Middletown, Port Jervis, Wallkill and Warwick - by the end of 2018.

Each incubator will have a theme, from artsy craft manufacturing to food production, said Laurie Villasuso, chief operating officer for the IDA and the Accelerator.

The IDA's original incubator at Stewart Airport focuses on manufacturers such as soap and lotion makers and fashion design and production companies, which use in-house sewing, cutting and computer-assisted-design equipment.

Middletown will host the Accelerator's next incubator, with spaces for 11 health-oriented businesses near the Touro medical college in the former Horton Hospital, as soon as October.

Developer Tony Danza, founder of Danza Leser Group, which owns the former Horton Hospital, plans to let the incubator stay rent-free for its first 18 months.

The goal, he said, is to “bring jobs to an area where they’re very much needed.” He wants to develop “a medical education hub that shares technology and creativity” among Touro, the incubator and either an optometry or veterinary medicine college, which he’s recruiting.

The Accelerator’s leaders also are in talks with Highland Falls School District administrators to turn a vacant elementary school into an incubator for up to 10 food manufacturers by March.

Around the same time, Villasuso expects to open a Warwick incubator with space for six artisanal manufacturers like glass workers, ceramic makers and jewelers. The Accelerator is collaborating with the Wickham Works artists’ collective, which has long pushed the project.

“We’re partnering with the Accelerator to promote the artisanal economy and create jobs and investable companies that the public will want to visit and college kids will want to return home to,” said Gary Genetti, a glass artist and Wickham Works leader.

Genetti said that the former General’s Garden, a vacant building near the corner of Route 94 and Sanfordville Road, is being eyed as a potential spot for Warwick’s incubator.

Locations, themes and the number of incubator businesses have yet to be chosen for the Accelerator’s future Wallkill and Port Jervis branches, but Villasuso hopes to open them by the end of 2018.

Finding its direction

By keeping rents low and not expanding the IDA and the Accelerator’s shared staff of four, Villasuso expects the five new incubators will add less than \$100,000 to the Accelerator’s \$1.3 million annual budget.

The Accelerator is currently using that budget to help 40 in-house and off-site businesses. Most are owned by women and minorities. And many have applied to the incubator thanks to word-of-mouth chatter.

The Accelerator’s budget comes from the fees businesses pay to the Orange County IDA, the organization designated by the state to consider providing certain tax breaks to development projects.

As for spending the Accelerator's money wisely, Villasuso said the IDA's incubator has found its direction since losing its way between its 2009 inception and its July 2015 rebranding. The IDA's board of local businesspeople and elected officials named Villasuso chief operating officer in 2016, after the 2015 departure of longtime IDA executive James Petro. Since then, Vincent Cozzolino also has stepped in to help lead the IDA and the Accelerator as the managing director for both.

"Before, the incubator was a place where you could pay below-market rent to think about your product, but what the incubator always missed were the synergy and the real support network that we have now," Villasuso said. "Now, in addition to providing space, the Accelerator helps with procuring grants, business development and planning, training, equipment and minority- and women-owned business certifications."

Lucky Bug's Hayes, 55, of Gardiner, said the Accelerator has created a supportive place for her American-made, environmentally sustainable, ethically produced baby clothes. Since Lucky Bug's May launch, the company has hired five part-time employees, while her son Samuel draws and digitizes all of the company's cute, creative clothing designs.


Hayes anticipates \$50,000 revenue for year one and \$100,000 revenue for year two for selling baby apparel and accessories like teething rings, and she's considering expanding into adult clothing. Like the Accelerator's other resident companies, Lucky Bug will have up to three years to use the incubator's low-cost startup space.

In the meantime, Hayes, and her 24-year-old daughter, Eva, the company's chief operating officer, said they'll enjoy growing their business in Orange County, which they chose because they think it's a "vibrant place" to start new businesses.

"If you're just selling shirts for adults it's, 'Oh, is it functional?' But when people see our baby clothes, they have real emotional reactions," Eva Hayes said.

The best part of the business, added her mother, "is getting to watch people have emotional meltdowns over fun and colorful baby clothes instead of asking, 'How does my butt look in this?'"

daxelrod@th-record.com

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