

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

November 16, 2005

A regular meeting of the Orange County Industrial Development Agency was convened in public session on November 16, 2005 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, John Steinberg, and upon roll being called, the following were

PRESENT: David MacFarland, John Steinberg, Daniel Coleman, Henry Van Leeuwen,
Robert Armistead

ABSENT: Stephen Brescia, John Borland

ALSO PRESENT: William Trimble – Administrator Director
Edda Eller, Recording Secretary
Phil Crotty - Attorney
Michael Levensohn – Times Herald-Record
Jay Jason, Lee Browning – Jason, Nesson & Swift, LLP
David Church – Orange County Planning
William Richards, Don Green, Joseph Cutshall-King –
Orange County Community College
Maureen Halahan – Orange County Partnership
Robert Hannan – Orange County Capital Development Corp.
Louis Heimbach, Arthur Kowaloff – Board member OCCDC
John D'Ambrosio – Orange County Chamber of Commerce

Opening the meeting, Chairman John Steinberg asked for a motion to approve September 21, 2005 minutes. Henry Van Leeuwen made a motion to approve minutes and Daniel Coleman seconded motion. Minutes of September 21st approved by all members present.

Presented was a resolution authorizing a \$555,269.00 grant to Orange County Community College after a public hearing, for the purpose of funding the College's Business Training and Professional Development Center. A public hearing was held according to law on October 31, 2005 to consider the grant request, and there was no opposition; and no SEQR is required. It was resolved that such grant shall not be a loan with or without interest regardless of how termed or set up, and while Orange County Community College expects to be able to grant back in four to six years the funded amount of \$555,269.00 out of revenues generated from the Center, Orange County Community College shall have no legal obligation to repay such funds to the IDA. An agreement, dated November 16, 2005 between the College and the Orange County Industrial Development Agency authorizes the grant of \$555,269.00, such grant to be disbursed \$237,603.00 in 2005, \$159,742.00 in 2006 and \$157,924.00 in 2007. It was further agreed that Orange County Community College will submit annually, or; more frequently if requested, a status report on the progress of the Center in time for the January meeting of the Orange County IDA each year until the grant is complete, commencing with the meeting in January 2006. Such report to contain the enrollment, fees charged, fees collected, and general assessment of the program. Henry Van Leeuwen made a motion seconded by Robert Armistead to approve the resolution and grant agreement. Affirmative votes of all members present resulted in motion carried. John Steinberg also requested that a letter from William Richards, President of the Orange County Community College, dated August 2, 2005 and addressed to John Steinberg be attached to the November 16, 2005 minutes.

Presented was a resolution approving \$500,00.00 investment fund with Orange County Capital Development Corp. The OCCDC has requested that the Orange County IDA co-establish with OCCDC an investment fund to be utilized by OCCDC to invest in entrepreneurial start-up or expanding businesses to be located in Orange County, New York for the purpose of creating new or increased business and employment opportunities. The initial advance under this arrangement will be in the amount of \$500,00.00 and additional advances will be considered by the IDA based upon its continued satisfaction with the operation of the Fund. This investment fund does not represent a loan to OCCDC, and invested funds will only be returned to the IDA when the investment is re-capitalized or sold. A reasonable expectation for recapture of investment would be seven to ten years, and investments in business opportunities which fail or are redeemed a less than the amount invested will represent losses to the Fund and the IDA. Revenue generated as a result

of investments or loans made shall be allocated as follows: 80% to the IDA and 20% to OCCDC. The IDA will pay, commencing January 2007 according to voucher timely submitted prior to the regular January IDA bi-monthly meeting, an annual fee of 2% of the Fund as compensation to OCCDC to defray the additional labor and operating expense resulting from management of the Fund, and income generated on funds not yet invested shall be retained in the Fund until such time as the Fund makes investments or distributions to the two Fund members, and the income may then be withdrawn or invested in the Fund. The Managing Director of OCCDC will forward to the IDA on a bi-monthly basis the following reports, which will be as current as of the end of the month preceding each scheduled meeting of the IDA: Report of New Investments, Update of Status of Exiting Investments and Financial Report of Fund Assets. The legal structure shall be that the Fund will be organized as a Limited Liability Company having two equal members: 1) The Orange County Limited Industrial Development Agency; and 2) The Orange County Capital Development General Corp. David MacFarland made a motion seconded by Daniel Coleman to approve resolution as stated. There were four ayes and one abstains. Motion passed.

Members were informed that a new contract for the directors and officers liability coverage was in place and will be going out for bid.

Recognized was Maureen Halahan of the Orange County Partnership updating members. So far in 2005 there were 22 closed attractions with 273 jobs, 577,199 s/f representing 41% increase over 2004. 17 companies expanded of which 7 were manufacturing with 150 jobs, 7 service with 360 jobs and 3 distributions with 10 jobs. Companies retained were 4 with 536 jobs retained. They have 33 active projects with a potential job creation of 6018. Also, the Orange County Partnership is asking IDA members to consider approving \$200,000.00 contribution annually to the Partnership per contract. This would be matching the Orange County's support to the Partnership of \$200,00.00 annually.

Presented was a resolution granting Horton Medical Center partial mortgage release. The Agency issued its Tax-Exempt Variable Rate Demand Civic Facility Revenue Bonds (Horton Medical Center/West Hudson Facility Project), Series 2002A in the principal amount of \$10,830,000 and its Taxable Variable Rate Demand Civic Facility Revenue Bonds Series 2002B in the principal amount of \$4,735,00 for the purpose of financing a certain Project for the benefit of Orange Regional Medical Center, as successor by merger to Horton Medical Center. Henry Van Leeuwen made a motion seconded by Robert Armistead to approve resolution of partial mortgage release as presented. Affirmative votes of all members present resulted in motion carried.

Presented was an Inducement Resolution of Unilock New York, Inc. for financial assistance in the amount of \$18,150,000 for tax exemption to construct three separate concrete manufacturing facilities. Henry Van Leeuwen made a motion seconded by Daniel Coleman to approve resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a notice of public hearing for Airport Properties II, LLC, a New York limited liability company having offices at 100 Red School House Road, Chestnut Ridge, New York for itself or on behalf of an entity to be formed, having submitted an application to the Agency requesting the Agency's assistance with a certain project consisting of the acquisition by the Agency of a leasehold or other interest in an approximately four-acre parcel of land located at the corner of Breunig Road and First Street at the Stewart International Airport in the Town of New Windsor, Orange County, New York. Planned is a construction by the Company on the land of an approximately four-story 97,743 square-foot hotel to be operated as a "Homewood Suites by Hilton" hotel. The aggregate maximum cost of the project is estimated by the Company to be approximately \$17,000,000. Henry Van Leeuwen made a motion seconded by David MacFarland to approve notice of public hearing as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a resolution regarding Breonics in default of two loans to the IDA totaling \$160,000 and the IDA Board has directing the attorney to take legal action to foreclose on chattels secured by the IDA which are subject to UCC financing, sell such chattels and retain specialized counsel at the prevailing hourly rate. A motion was made by Robert Armistead and seconded by Henry Van Leeuwen to approve of resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a resolution approving \$5,000 refund to Greenwood Gardens, LLC. Greenwood Gardens remitted \$77,500 as an application fee to the IDA, and previous IDA attorney Henry Holley has calculated the fee to be \$72,500. Henry Van Leeuwen made a motion to approve the \$5,000 refund to Greenwood Gardens seconded by Robert Armistead. Affirmative votes of all members present resulted in motion carried.

David Church of the Orange County Planning Department discussed with members whereas the Workforce Housing is getting to the point of not being able to live and maybe the IDA can be of assistance.

Henry Van Leeuwen made a motion seconded by Daniel Coleman to reserve a table to the Partnership's Annual Dinner on December 6, 2005. Affirmative votes of all members present resulted in motion carried.

The 2006 IDA budget was discussed. It was decided that William Trimble prepares the amounts and distribute the same to members for approval.

Treasurer's report for September and October 2005 was presented. Treasurer's report approved by all members present as submitted.

Treasurer Henry Van Leeuwen presented the following: Received application fee in the amount of \$5,000 from Unilock New York, Inc., received application in the amount of \$5,000 from South Ramp Associates, Inc., received fee in the amount of \$77,500.00 from Greenwood Gardens, LLC; voucher and payment in the amount of \$43,750.00 to Orange County Partnership for the 4th quarter, payment in the amount of \$75.00 to New York State EDC for registration for 2005 IDA & EZ Section meeting for Philip Crotty, payment to New York State EDC for 2006 membership dues in the amount of \$500.00, voucher and payment to Orange County Capital Development Corp. in the amount of \$45,000.00 final payment, voucher and payment to Henry Holley in the amount of \$1,750.00 for Greenwood Garden (pass-thru legal fees), voucher and payment to Philip Crotty in the amount of \$8,750 for Greenwood Gardens (pass-thru legal fees), voucher and payment to Philip Crotty in the amount of \$1,975.00 for Breonics services, voucher and payment to Philip Crotty in the amount of \$1,648.00 for IDA retainer September 22, 2005 to November 16, 2005, voucher and payment to Philip Crotty in amount of \$1.75.00 for OCCC grant May-November 2005, voucher and payment to Orange County Empire Zone in the amount of \$25,000.00, voucher and payment to Dickerson & Meany in the amount of \$5,299.04 for renewal of commercial package policy including umbrella, voucher and payment to Edda Eller in the amount of \$1,375.00 for 4th quarter.

A voucher presented by Stewart International Airport in the amount of \$53,448.76 for reimbursement as co-pay for Marketing Independence Airlines was presented. Henry Van Leeuwen made a motion seconded by Robert Armistead to table the request for payment until Chuck Seliga discusses with County Executive Ed Diana and gets his approval and the Administrative Director discusses with former attorney Henry Holley for his input. Affirmative votes of all members present resulted in motion carried.

Henry Van Leeuwen suggested that the IDA Administrative Director's annual fee be increased by \$2,000 and the annual fee for the Recording Secretary/Bookkeeper be increased by \$1,000. Daniel Coleman made a motion seconded by Robert Armistead to approve the increases. Affirmative votes of all members present resulted in motion carried.

John Steinberg asks William Trimble to prepare for the IDA January 2006 meeting job duties and description what he does as administrator and also set up agenda for 2006 meeting.

John Steinberg also informed members that he is planning on resigning as the IDA Chairman and John Borland would head a committee for designating a new Chairman and First Chairman.

Henry Van Leeuwen made a motion seconded by Robert Armistead to adjourn to executive session to discuss matters of personnel matters, financial history and or promotion of particular corporation or agencies; and to discuss proposed litigation regarding Agency claim for services against an applicant project. Any subsequent action will be taken at public session.

Henry Van Leeuwen made a motion to end executive session and Robert Armistead seconded motion.

Robert Armistead made a motion that this meeting be duly adjourned the time being 4553 p.m.

Edda Eller
Recording Secretary