



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. Schreibeis, 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 December 14, 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 November 9, 2017 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
  - Chairman’s Report
  - Chief Operating Officer Report
    - Labor Policy Closeout Report: Isomedix & Allstate Fabrication
  - Board Committee Reports (as needed)
- **Applications/Resolutions**
  - IBM Corporation Project
    - Initial Resolution
  - CRH Documentation Change
    - Resolution
  - CNW Real Estate, LLC
    - Resolution
- **Other Board Business**
- **Executive Session**
- **Adjournment**

Dated: December 7, 2017

Stephen Brescia, Secretary

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

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

November 9, 2017

A regular meeting of the Orange County Industrial Development Agency was convened in public session on November 9, 2017 at 2:09 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, Stephen Brescia, Robert Schreibeis, Michael Bonura

ABSENT: John Steinberg, Edward Diana

ALSO PRESENT: Laurie Villasuso – Chief Operating Officer  
Kevin Dowd – IDA Attorney  
Joel Kleiman – Chief Financial officer  
Vincent Cozzolino – Managing Director  
Melanie Schouten – Project Manager  
Heather Rieker– The Accelerator  
Lisa Sommers – Focus Media  
Josh Sommers – Focus Media  
Wayne Booth – OC Exec. Office  
Michael Paduch – OC Legislator  
Marc Devitt – Med Parc, LLC  
Bill Reid - Danskammer

Chairman Armistead calls to order the regular meeting of the Orange County IDA, November 9, 2017 (Pledge of Allegiance is recited). Board consists of five members. There is a quorum.

Roll Call is taken.

Mr. Gaenzle joins by phone.

**Minutes**

Review of the prior October 12, 2017 meeting minutes. Motion to approve the minutes is made by Ms. Rogulski, seconded by Mr. Schreibeis. Motion carries with all in favor.

**Financial Reports and/or Requests for Payment**

Mr. Kleiman reviews the summary of IDA bank accounts, certificate of deposits, and money market accounts that reflect a total of \$12,427,288, as of October 31, 2017.

Mr. Kleiman reviews the income and expense summary, noting that YTD is \$2,652,274, and YTD expenses are \$439,173, with revenues exceeding expenses by \$2,213,101.

Mr. Kleiman informs that board that the expenses will increase towards the end of the year when IDA Agents submit their yearly vouchers. Some agents submit quarterly, but others wait to submit for the amount all at once at the end of the year.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenues YTD are \$176,664, and expenses are \$1,356,352. Expenses, as anticipated, exceed revenues by \$1,179,688.

Chairman Armistead asks for a motion to approve the vouchers and payments in the amount of \$25,472.52. Motion made by Mr. Schreibeis, seconded by Mr. Bonura, 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.

### **Chairman's Report**

Chairman Armistead passes on the Chairman's Report in the interest of time.

### **Chief Operating Officer Report**

Ms. Villasuso updates the board on recent ad campaign for the IDA. It was very successful with a Sunday newspaper ad and radio commercial on K104.7 & WTbQ Wall Radio. In addition to those, there is a new IDA brochure that will be complete for distribution shortly.

Ms. Villasuso brings attention to items in the IDA packet, stating that there is a FOIL letter from Goshen Public Library. This request was for every OCIDA PILOT affecting the Goshen School District back to 1980 and every OCIDA PILOT from 2014 to the present. Management provided these documents to the best of their ability. That FOIL is considered closed. Last month the board discussed two Labor Policy audits regarding projects that were on the border of being noncompliant. As seen in the packet, Mr. Dowd sent letters to both of those projects, Retford Pillar and Crossroads Court. Retford Pillar wrote back stating that they were unaware of their noncompliant status and failure to provide the documents. They intend to correct the matter. Crossroads Court responded similarly stating their intent to correct. There is a deadline on the requested documents and corrective course of action for both projects. Action was taken as requested by the board and updates will be given.

Ms. Villasuso updates the board on the Mountco Project stating that they have withdrawn their application for Sales Tax and Use Exemption from the IDA. They are proceeding with their OCFC bond request and a public hearing will be held in early December.

A 2018 meeting calendar is distributed to the board.

Ms. Villasuso informs the board that twelve meetings are scheduled with intent to rotate the meeting location. Management will work with staff at the County Executive's office and elsewhere to book accordingly. An updated schedule will be provided once locations have been booked.

Chairman Armistead states this was discussed previously, and that once the County Building is completed occasionally meetings will be held in that location. A larger room maybe required depending on the that month's agenda topics. Additionally, if no action is needed by the board during a certain month, those meetings may be cancelled.

Ms. Villasuso informs the board that management was tasked to evaluate everything the IDA is doing from a staff point of view. One of the items reviewed was the retirement plan. In that investigation there were a number of oversights in the past, and steps are now being taken to rectify the situation with a new advisory firm. These mistakes were made in 2010, and a remediation plan is in place.

Mr. Armistead informs the board this goes back to when Michael Ditullo was managing the IDA staff and the to firm managing the plan. It seems that there was a lack of filings. Both he and Ms. Rogulski were advised regarding the situation and steps are now being taken in the right direction.

Mr. Cozzolino informs the board that the Middletown Accelerator construction is going well. It is about 50% complete. The anticipated move in date is January 2018. Twelve companies are expected to occupy the campus. Many of them are high tech companies with concentrations in software, software design, or medical engineering. As word has gotten out, additional space has been occupied by bio-medical companies in the building space adjacent to the Accelerator, assisting with the creation of this industry cluster. The business owners in this cluster are medical doctors, people with bachelor degrees, high tech masters degree, etc. This new satellite location varies greatly from the New Windsor Campus, but is expected to grow. It will create a strong cluster and assist the medical corridor in Orange County. The next step is to try and put a bio-medical clean room on-site for companies that research DNA and Gene Therapy.

Chairman Armistead asks about the local support of the Middletown Accelerator.

Mr. Cozzolino states that the project has gained the support of the Mayor, City Council, and local Legislators.

Mr. Cozzolino informs the board that three sewing manufacturing companies are located onsite at the new Windsor Campus. These companies have produced quality artisan sewing jobs. Melo produces commercial use bags used by the military department of defense, and bags for outdoor recreation. Lucky Bug produces sustainable baby clothes, and NYCe Blu produces high quality leather hand bags.

Ms. Villasuso informs the board that a fall BOCES sewing class just finished. This class is hosted onsite and some of the women from that class moved on to get jobs with Melo and Lucky Bug.

Mr. Cozzolino informs the board that a company called Green Panda will be moving onsite shortly. This company currently produces bamboo tooth brushes in China. The Accelerator is helping to onshore the production to the New Windsor Campus.

Mr. Cozzolino states that management has been working on attracting an Italian handbag company. They are about 60% through the process, as a transition like this takes time. This company has been making top of the line bags for generations. Ideally, they will have a sample room onsite with six to eight artisans to start. Along with this bag company interest came from a furniture company, shoe manufacturer, and a bio-medical company. This has really opened the doors and management hopes they can successfully assist with onshoring these international companies.

Mr. Cozzolino brings attention to Accelerator packets previously handed to the board, stating they'll find a list of AWOW clients inside. A campaign is being relaunched to remind clients about the AWOW program and the benefits it offers. Many companies are still being brought to the program by word of mouth.

Chairman Armistead informs the board that he sat in on part of the Accelerator Committee meeting and that close to one hundred businesses have benefitted from the AWOW program. They've received various levels of assistance from professional planning, business planning and technical support, to financial training. County residents come into contact with many of these companies on a regular basis. It's nice to see that word is getting out and that companies are benefitting.

## **Board Committee Reports**

### Governance Report

Mr. Schreibeis states that the Governance Committee recommends to move forward with an additional advertising campaign, but to stay within the current advertising budget for the year.

### Heritage Trail Extension Request

Ms. Villasuso reminds the board that in 2016 the board approved an \$1M expenditure to assist the county with the extension of the Heritage Trail. That agreement ends at the end of 2017. All the funds have not been used and as a result an agreement extension is being requested till the end of 2018. The Governance Committee did agree to support the extension, but a vote is needed by the board.

Chairman Armistead reminds the board that this extension will connect the trail from Goshen to the city of Middletown.

Motion is made by Mr. Schreibeis, seconded by Mr. Bonura, approving the Heritage Trail expenditure agreement extension. Affirmative votes of all members present results in motion carried.

## **Applications/Resolutions**

### Med Parc, LLC. – Presentation

Marc Devitt presents on behalf of Med Parc, LLC.

The project will be a Holiday Inn Express & Suites Hotel placed on a 43-acre site in the town of Wallkill. It is new construction intended to host 93 rooms, four stories, and 54,00 sq ft. They have gone before the planning board to seek approval for the first stage of the project. The requested IDA benefits are Mortgage Recording Tax Exemption and

Sales and Use Tax Exemption. Anticipated jobs are 18 full-time equivalent jobs, 10 part-time equivalent jobs, and those jobs needed to complete the construction period of the project.

Ms. Villasuso informs the board that this application went through the full pre-application and application process. The applicant provided a very detailed scope of the jobs resulting from this project. They are considered quality hotel jobs. Further details can be found in the packet. If the application is approved, a public hearing will be held in the town of Wallkill. A letter of support is still needed.

Mr. Devitt informs the board that a letter of support has been requested from both the Wallkill IDA and Town Board.

Ms. Villasuso informs the board that the applicant has requested a 485-b from the town of Wallkill.

#### Med Parc, LLC – Initial Resolution

Mr. Dowd reads aloud the Med Parc, LLC Initial Resolution. Motion is made by Ms. Rogulski, seconded by Mr. Schreibeis, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Med Parc, LLC. Roll call is taken. Mr. Brescia abstains. Affirmative votes of four members results in motion carried.

#### Danskammer Holdings, LLC – Presentation

Bill Reid presents on behalf of Danskammer Holdings, LLC.

Danskammer Holdings is buying the old Danskammer power plant that first came into service in 1951. It was shut down due to hurricane Sandy. It has been turned on again. There are currently 41 high quality jobs at this facility. The Mortgage Recording Tax exemption is being requested to help pay for the acquisition. The money saved will be immediately reinvested in the development planning of the facility, whether it be a repowering or entirely new structure built on the site. It would be good for the local economy as it assists with a \$250M - \$450M project, lowering the cost of electricity, create local construction jobs, and create more jobs at the facility itself.

Mr. Dowd informs the board that the vote on the Mortgage Recording Tax will take place in the OCFC meeting. The application comes before the IDA board today due to the change in the membership of the owners.

*Mr. Steinberg enters meeting at 2:33pm.*

Mr. Reid informs the board that the project will continue to operate under Danskammer Energy. It's being bought by a group he organized, and an infrastructure fund based in NYC called Tiger Infrastructure. Tiger Infrastructure is helping with both funding and with the repowering and expansion of the plant.

Mr. Gaenzle reminds the board that all the IDA board has to vote on is the transfer of the membership interests. Anytime there is a transfer of more than 50% of the membership it requires the consent of the IDA. It is counsel's understanding that the facility will continue to be managed by Danskammer Energy. Therefore, the operation is no way impacted by the transfer of the membership.

Mr. Brescia inquires if this differs from the agreement entered into in 2014.

Mr. Reid states that that arrangement will expire in 2022 and at that point they will again sit down with the town, county, and state and work on their redevelopment project.

#### Danskammer Holdings, LLC – Resolution

Motion is made by Mr. Bonura, seconded by Ms. Rogulski, authorizing and consenting to the assignment of the membership interests in Danskammer Energy, LLC to Danskammer Holdings, LLC. Roll call is taken. Affirmative votes of all members present results in motion carried.

Chairman Armistead asks when he feels the project will come again before the IDA.

Mr. Reid states he believes within the next twenty-four months. He is trying to move the progress forward as quickly as possible, but there are public hearings and permit issues that will take time.

### **Other Board Business**

No other board business is 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 employment history of particular clients of the IDA. Motion made by Ms. Rogulski to enter executive session issued. Motion seconded by Mr. Bonura. All in favor.

*Enter Executive Session*

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

*End Executive Session*

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(h) of the open meetings law to discuss the proposed lease of real property. Motion made by Mr. Brescia to enter executive session issued. Motion seconded by Mr. Steinberg. All in favor.

*Enter Executive Session*

The members discuss the proposed lease of real property.

*End Executive Session*

### **Adjournment**

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Mr. Bonura, seconded by Ms. Brescia, the time being 3:22 p.m.



*Empowering Businesses. Inspiring Growth.*

# APPLICATION FOR FINANCIAL ASSISTANCE

International Business Machines Corporation  
(Applicant Name)

\_\_\_\_ November 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](http://www.ocnyida.com)  
[business@ocnyida.com](mailto:business@ocnyida.com)

Updated February 1, 2017

# ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## APPLICATION FOR FINANCIAL ASSISTANCE

### I. APPLICANT INFORMATION

#### APPLICANT

Company Name: International Business Machines Corporation \_\_\_\_\_  
Mailing Address: New Orchard Rd, Armonk NY 10504-1722 \_\_\_\_\_  
Phone No.: 914-765-5190 \_\_\_\_\_  
Fax No.: \_\_\_\_\_  
Fed Id. No.: 13-0871985 \_\_\_\_\_  
Contact Person: Wayne Spinei \_\_\_\_\_  
Contact Email: wspin@us.ibm.com \_\_\_\_\_

#### APPLICANT'S COUNSEL

Name: Ann McEvily, IBM Corp. \_\_\_\_\_  
Address: New Orchard Rd. Armonk, NY 10504 \_\_\_\_\_  
Phone No.: 914-499-4822 \_\_\_\_\_  
Fax No.: \_\_\_\_\_  
Counsel Email: amcevily@us.ibm.com \_\_\_\_\_

#### APPLICANT'S GENERAL CONTRACTOR/CONSTRUCTION MANAGER

Name/Contact: N/A \_\_\_\_\_  
Address: \_\_\_\_\_  
Phone No.: \_\_\_\_\_  
Fax No.: \_\_\_\_\_  
Email: \_\_\_\_\_



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

NONE

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

Form of Entity

Corporation

Date of Incorporation: June 16, 1911

State of Incorporation: New York

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 \_\_\_\_\_)

Date of organization: \_\_\_\_\_

State of Organization: \_\_\_\_\_

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.

None

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: 299 Long Meadow Rd

Tax Map Number 85-1-1.1  
(Section/Block/Lot)

Located in City of \_\_\_\_\_

Located in Town of Warwick

Located in Village of \_\_\_\_\_

School District of Tuxedo Union Free school District

B) Are utilities on site?

Water YES Electric YES  
Gas NO Sanitary/Storm Sewer YES

C) Present legal owner of the site ORANGE COUNTY IDA  
If other than from applicant, by what means will the site be acquired for this project? \_\_\_\_\_

D) Zoning of Project Site: Current: 3 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.):

**New PILOT to stabilize tax payments for town, school district and County**

\_\_\_\_\_

H) Anticipated Date of Operation: Operating \_\_\_\_\_

I) Principal use of project upon completion:

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

If other, explain: \_\_\_\_\_

J) Estimated Project Costs, including:

Value of property to be acquired: \$ \_\_\_ N/A \_\_\_\_\_

Value of improvements: \$ \_\_\_ N/A \_\_\_\_\_

Value of equipment to be purchased: \$ \_\_\_ N/A \_\_\_\_\_

Estimated cost of engineering/architectural services: \$ \_\_\_ N/A \_\_\_\_\_

Other: \$ \_\_\_ N/A \_\_\_\_\_

Total Capital Costs: \$ \_\_\_\_\_

Project refinancing; estimated amount  
(for refinancing of existing debt only) \$ \_\_\_ 0 \_\_\_\_\_

*Sources of Funds for Project Costs:*

Bank Financing: \$ \_\_\_ 0 \_\_\_\_\_

Equity (excluding equity that is attributed to grants/tax credits) \$ \_\_\_ 0 \_\_\_\_\_

Tax Exempt Bond Issuance (if applicable) \$ \_\_\_ 0 \_\_\_\_\_

Taxable Bond Issuance (if applicable) \$ \_\_\_ 0 \_\_\_\_\_

Public Sources (Include sum total of all state and federal  
grants and tax credits) \$ \_\_\_ 0 \_\_\_\_\_

Identify each state and federal grant/credit:

\_\_\_\_\_ \$ \_\_\_ 0 \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_ 0 \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_ 0 \_\_\_\_\_

\_\_\_\_\_ \$ \_\_\_ 0 \_\_\_\_\_

Total Sources of Funds for Project Costs: \$ \_\_\_ 0 \_\_\_\_\_

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



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. . .

Currently Data center and office use

. . .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.)

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.

None

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

None

10. Has construction work on this project begun?

Complete the following

- |                            |           |          |                       |
|----------------------------|-----------|----------|-----------------------|
| (a) site clearance         | _____ Yes | _____ No | <u>N/A</u> % complete |
| (b) foundation             | _____ Yes | _____ No | <u>N/A</u> % complete |
| (c) footings               | _____ Yes | _____ No | <u>N/A</u> % complete |
| (d) steel                  | _____ Yes | _____ No | <u>N/A</u> % complete |
| (e) masonry work           | _____ Yes | _____ No | <u>N/A</u> % complete |
| (f) other (describe below) | _____ Yes | _____ No | <u>N/A</u> % complete |

III. FINANCIAL ASSISTANCE REQUESTED

A) Benefits Requested:

- Sales Tax Exemption     IRB     MRT Exemption    X 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: \$ \_\_\_\_\_

Estimated Sales Tax exemption for fixtures and equipment: \$ \_\_\_\_\_

Estimated duration of Sales Tax exemption: \_\_\_\_\_

Mortgage Recording Tax Exemption Benefit:

Estimated value of Mortgage Recording Tax exemption: \$ \_\_\_\_\_

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(I)) 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:

**PILOT will provide tax payment stability for the Town of Warwick, Tuxedo Union School District and Orange County.**

\_\_\_\_\_  
\_\_\_\_\_

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)		260		
Part Time (PTE)				
Total		260		

\*\* 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: **Because of competitive sensitivity, IBM salary information is deemed confidential and cannot be provided**

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			
Professional			
Administrative			
Production			
Independent Contractor			
Other			

### 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 JPTA 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 Fillings 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.:

FORTUNATO DiRENNO, being first duly sworn, deposes and says:

1. That I am the Program MANAGER (Corporate Office) of IBM (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 21 day of November, 2007

Dominique A. Owens  
 (Notary Public)

DOMINIQUE A. OWENS  
 Notary Public, State of New York  
 Qualified in Orange County  
 Reg. No. 01OW6052288  
 Commission Expires December 11, 20 18

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). Annual report available at [www.ibm.com/annualreport](http://www.ibm.com/annualreport)
2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years. Annual Report available at [www.ibm.com/annualreport](http://www.ibm.com/annualreport)
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any. [www.ibm.com/investor](http://www.ibm.com/investor)
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: IBM

Name: FORTUNATO DIRENNO

Title: PROGRAM MANAGER

  
\_\_\_\_\_  
(Notary Public)

Sworn to before me this 21 day  
of November, 2017

DOMINIQUE A. OWENS  
Notary Public, State of New York  
Qualified in Orange County  
Reg. No. 01OW6052288  
Commission Expires December 11, 2018

**Real Property Tax Benefits (Detailed):**

\*\* 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		133,075	85,168	314,057	532,300		
2		130,575	83,568	308,157	522,300		
3		130,575	83,568	308,157	522,300		
4		128,075	81,968	302,257	512,300		
5		128,075	81,968	302,257	512,300		
6		125,575	80,368	296,357	502,300		
7		125,575	80,368	296,357	502,300		
8		128,075	81,968	302,257	512,300		
9		130,575	83,568	308,157	522,300		
10		133,075	85,168	314,057	532,300		
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
TOTAL							

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

**Cost Benefit Analysis:**

**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.

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

**Closing Fee:**

***IDA Fee***

One-percent of the first \$2,000,000 of the project cost (as identified on page 5 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 3<sup>rd</sup> party monitor and received in advance of work commencing.** The request will be reviewed by the 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> 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 3<sup>rd</sup> party monitor.

The 3<sup>rd</sup> 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 3<sup>rd</sup> 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.

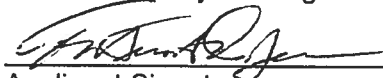
**The IDA will use a third party firm or firms to monitor and audit compliance with this local labor policy, the cost of which shall be paid for by the Company in advance of the audits and held in a non-interest bearing escrow account until audits are complete.**

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.

  
 \_\_\_\_\_  
 Applicant Signature

\_\_\_\_\_  
 Signature of CM, GC or SC

*IBM*  
 \_\_\_\_\_  
 Company Name

\_\_\_\_\_  
 Company Name

*Fortunato DiRenno*  
 \_\_\_\_\_  
 Print Name of above signer

\_\_\_\_\_  
 Print Name of above signer

*FortD@US.IBM.com*  
 \_\_\_\_\_  
 Email/phone of Applicant

\_\_\_\_\_  
 Email/phone of CM/GC/SC

11/21/17  
Date

\_\_\_\_\_  
Date

# TOWN OF WARWICK



132 KINGS HIGHWAY  
WARWICK, NEW YORK 10990

TOWN HALL TELEPHONE (845) 986-1124  
POLICE DEPT. TELEPHONE (845) 986-3423  
RECEIVER OF TAXES (845) 986-1125  
PUBLIC WORKS TELEPHONE (845) 986-3358  
TOWN HALL FAX (845) 986-9908  
SUPERVISOR [supervi@warwick.net](mailto:supervi@warwick.net)  
TOWN CLERK [townclk@warwick.net](mailto:townclk@warwick.net)

November 8, 2017

Ms. Laurie Villasuso  
Orange County IDA  
4 Crotty Lane, Suite 100  
New Windsor, New York 12553

Dear Ms. Villasuso,

I am writing to support an amendment to the current PILOT agreement with IBM located here in the Town of Warwick. (See attached.) Retaining the IBM facility is critical to the economy of the Town and Orange County, so we would hope that the IDA board would look favorable on this amendment. Thank you for your consideration.

Sincerely,

Michael P. Sweeton  
Town Supervisor

MPS/rb  
attachment

cc: Deborah Eurich, Town Assessor

**IBM Sterling Forest  
 Town Of Warwick  
 Proposed PILOT Payments 2018 - 2027**

<b>Year</b>	<b>Yearly Payment (Less SD)</b>	<b>Town 18%</b>	<b>County 24%</b>	<b>School 58%</b>
2018	532,300	95,814	127,752	308,734
2019	522,300	94,014	125,352	302,934
2020	522,300	94,014	125,352	302,934
2021	512,300	92,214	122,952	297,134
2022	512,300	92,214	122,952	297,134
2023	502,300	90,414	120,552	291,334
2024	502,300	90,414	120,552	291,334
2025	512,300	92,214	122,952	297,134
2026	522,300	94,014	125,352	302,934
2027	532,300	95,814	127,752	308,734

December 1, 2017

***Via Email***

Laurie Villasuso  
Chief Operating Officer  
Executive Vice President of Economic Development Orange County IDA  
4 Crotty Lane, Suite 100  
New Windsor, NY 12553

Dear Laurie:

As discussed with you and, separately, Russ Gaenzle, I write on behalf of Crystal Run Healthcare LLP in connection with its four Orange County IDA ("OC-IDA") related projects:

- a. The 2 projects subject to the lease-leasebacks between Starwood entities and the OC-IDA (the "Starwood Projects") where Crystal Run Healthcare LLP is the subtenant (the "Original Subtenant"). These are the projects located at 95 Crystal Run Road and 109 Rykowski;
- b. The Newburgh project subject to the lease-leaseback between HP Newburgh 300, LLC and the OC-IDA (the "Newburgh Hammes Project"); and
- c. The Monroe project subject to the lease-leaseback between CRH Realty III, LLC ("CRH III") and the OC-IDA (the "Monroe Project").

With respect to the Starwood Projects, Original Subtenant proposes to assign the existing subleases to Crystal Run Transformation Services, LLC ("TSO"), Crystal Run's management services company and TSO as subtenant would further sublease the 95 Crystal Run Road premises to Crystal Run Healthcare Physicians LLP ("Sub-subtenant"). This would be accomplished by way of an Assignment of Sublease between Original Subtenant and TSO and a new sub-sublease between TSO and Sub-subtenant for the 95 Crystal Run Road premises. None of this requires any modification of the Starwood lease-leaseback documents nor does it in any way interfere with the employment commitments. As you will recall, the employees at 109 Rykowski are employees of TSO and the employees of the Original Subtenant will be as of January 1, 2018 employees of the Sub-subtenant.

With respect to the Newburgh Hammes Project, Original Subtenant, as above, proposes to assign the existing sublease to TSO and TSO as subtenant would further sublease the premises to Sub-subtenant. Again, this would also be accomplished in the same manner as with the Starwood Projects.

Finally, with respect to the Monroe Project, CRH III intends to proceed with transactions substantially similar to those already approved by the OC-IDA by Resolution dated October 20, 2016. The key features (most of which remain the same) are as follows:

1. The current loan from Bank of America, N.A. secured by a mortgage on the property located at 855 Route 17M, Monroe, New York ("Monroe Property") will be increased to approximately \$27,217,500.00.
2. An affiliate of Hammes Partners II, L.P. ("Subordinate Lender") will provide a subordinate loan in the amount of approximately \$8,142,000.00, to be secured by a security interest in the membership interests of CRH III ("Subordinate Loan").
3. The Subordinate Loan will be convertible at the option of Subordinate Lender into all of the issued and outstanding membership interests in CRH III ("Conversion"). To facilitate the foregoing, all of the membership interests in CRH III, which are currently held by over 100 individuals, will be contributed to a "newco" in exchange for membership interests in such newco; the beneficial ownership of CRH III will therefore not change as a result of the interposition of such newco.
4. The Sublease between CRH III and Original Subtenant will be terminated and replaced with a new sublease between the parties. This new sublease will be assigned by Original Subtenant to the TSO, who will further sublease the Monroe Property to Sub-subtenant.

5. Subordinate Lender (before Conversion) and newco (after Conversion) shall have a right of first refusal in the event CRH III attempts to sell the Monroe Property.

6. Newco will have the right to purchase all of the membership interests in CRH III following the Conversion.

Although we do not anticipate that the above requires any changes to any OC-IDA documents, OC-IDA's consent and cooperation is required to consummate the transactions. By this letter we respectfully request the following from the OC-IDA:

- a. Consent to assign, sublease, and sub-sublease (as applicable) as set forth herein with respect to the Starwood Projects, the Newburgh Hammes Project and the Monroe Project;
- b. Consent to increase the mortgage financing on the Monroe Property from \$21,000,000.00 to approximately 27,217,500.00 and the agreement of the OC-IDA to execute loan documents reasonably required for such increased mortgage;
- c. Consent to the transfer of all membership interests in CRH III to newco and the change of control which would arise upon Conversion and the deemed assignment of the Amended and Restated Leaseback Agreement dated as of October 1, 2015 between the OC-IDA and CRH III ("Monroe Leaseback") (effective at the time of such transfer or change of control);
- d. Consent to the termination of the existing sublease for the Monroe Property and the consummation of a new sublease (whether occurring before or after the transactions described in (a) above);
- e. Consent to the sale of the Monroe Property upon the exercise by Subordinate Lender or newco of the right of first refusal;
- f. Consent to the change of control which would arise upon the exercise by newco of the right to purchase the membership interests in CRH III following Conversion and the deemed assignment of the Monroe Leaseback (effective at the time of such change of control).

Thank you and please let me know if you have any questions.

Sincerely,

*Doug Sansted*

Doug Sansted  
Chief Legal Officer

Cc: Russ Gaenzle (via email)  
Lisa Card (via email)

2 THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
3 STATE OF NEW YORK

-----x

4 In The Matter of

5 Re: MED PARC LLC

6 -----x

7 Town of Wallkill Town Hall  
8 99 Tower Drive  
9 Middletown, New York  
10 December 5, 2017  
11 11:00 a.m.

10

11

12

13

B E F O R E: KEVIN DOWD, ESQ.  
IDA ATTORNEY

14

15

16

17

18

19

20

21

22

23

FRANCES ROTH  
Court Stenographer  
168 North Drury Lane  
Newburgh, New York 12550  
Telephone (845) 566-1641

24

25

2

3 A P P E A R A N C E S:

4

5 LAW OFFICES OF KEVIN T. DOWD  
6 Attorney for IDA  
7 46 Daisy Lane  
8 Montgomery, New York 12549

7

8 ALSO PRESENT: Kelly Reilly  
9 Client Services Specialist, OCIDA

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25



## MED PARC LLC

1  
2 MR. DOWD: Okay, good morning everyone, my  
3 name is Kevin Dowd, local counsel to the Orange  
4 County IDA. To my right is Kelly Reilly from our  
5 administrative staff and to our left is Fran Roth  
6 who is our stenographer who will record  
7 everything. There's a sign-in sheet, I see the  
8 only person is Mark Devitt, the applicant so he  
9 signed in. I'm going to ask you to stand to say  
10 the Pledge of Allegiance which I think is out  
11 there.

12 (Whereupon, the Pledge of Allegiance was recited.)

13 MR. DOWD: So I'll proceed by reading the  
14 Notice of Public Hearing and at which point we'll  
15 open the public hearing for comment. Notice is  
16 hereby given that a public hearing pursuant to  
17 Article 18-A of the New York General Municipal  
18 Law will be held by the Orange County Industrial  
19 Development Agency on Tuesday, December 5, 2011,  
20 at 11:00 a.m. local time in the Main Meeting Room  
21 at the Wallkill Town Hall, 99 Tower Drive,  
22 Building A, Middletown, New York 10941 in  
23 connection with the following matter: Med Park  
24 LLC, for itself or on behalf of an entity to be  
25 formed has submitted an application to the Agency

## MED PARC LLC

1  
2 requesting the Agency's assistance with a certain  
3 project consisting of (i) the acquisition by the  
4 Agency of a leasehold interest in an  
5 approximately 4.95 plus or minus acre parcel of  
6 vacant land located at 599 East Main Street in  
7 the Town of Wallkill, Orange County, New York,  
8 (ii) the construction on the Land of an  
9 approximately 54,280 square foot hotel comprised  
10 of 93 units and (iii) the acquisition and  
11 installation in, on and around the Improvements  
12 of certain items of equipment and other tangible  
13 personal property including but not limited to  
14 furniture. The Agency will acquire a leasehold  
15 interest in the Facility and lease the Facility  
16 back to the Company. The Company will operate  
17 the Facility during the term of the lease. At  
18 the end of the lease term, the Agency's leasehold  
19 interest will be terminated. The Agency  
20 contemplates that it will provide financial  
21 assistance to the Company in the form of sales  
22 and use tax exemptions and a mortgage recording  
23 tax exemption, all consistent with the policies  
24 of the Agency. A representative of the Agency  
25 will be at the above-stated time and place to

1 MED PARC LLC

2 present a copy of the Company's Project  
3 Application and hear and accept written and oral  
4 comments from all persons with views in favor of  
5 or opposed to or otherwise relevant to the  
6 proposed Financial Assistance. By the Orange  
7 County Industrial Development Agency dated  
8 November 22, 2017. And before I open up to the  
9 public, there's just a review of the application.  
10 We're talking about a 93 room Holiday Inn Express  
11 and Suites, the total capital cost is projected  
12 to be \$14.73 million. The sales tax exemptions  
13 estimates are \$440,000 for construction and  
14 \$162,500 for furnishings. And the mortgage  
15 recording tax exemption is estimated at \$82,856.  
16 There is no PILOT involved so you're going to go  
17 through the 485-B process with the Town of  
18 Wallkill as far as jobs?

19 MR. DEVITT: Yes.

20 MR. DOWD: And you are going to create 18  
21 full time equivalent jobs, 10 part time jobs.  
22 That all being said, I would open the floor to  
23 public comment. Mr. Applicant, do you have  
24 anything to say?

25 MR. DEVITT: Pretty much sums it up.

MED PARC LLC

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

MR. DOWD: There being no one else present,  
I would declare the public hearing closed. Thank  
you.

(Proceedings concluded at 11:05 a.m.)

\*\*\*\*\*

2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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

I, FRANCES ROTH, a Stenographic Reporter and Notary Public of the State of New York, do hereby certify:

That the foregoing is an accurate record of the testimony, as given, to the best of my knowledge and belief, the same having been stenographically recorded by me and transcribed under my supervision.

That I am not related to any of the parties involved in this matter, and that I have no personal interest whatsoever in the outcome thereof.

\_\_\_\_\_

FRANCES ROTH

# FREEDOM FROM RELIGION *foundation*

P.O. BOX 750 · MADISON, WI 53701 · (608) 256-8900 · WWW.FFRF.ORG

November 28, 2017

**SENT VIA EMAIL AND U.S. MAIL:  
business@ocnyida.com**

Robert Armistead  
Chairman  
Orange County Funding Corporation  
4 Crotty Lane, Ste. 100  
New Windsor, NY 12553

Re: Open Records Request

Dear Chairman Armistead:

I am writing on behalf of the Freedom From Religion Foundation to request public records. FFRF is a national nonprofit organization with about 30,000 members across the country, including more than 1,600 members in New York. FFRF's purposes are to protect the constitutional principle of separation between church and state, and to educate the public about matters relating to nontheism.

A concerned local taxpayer contacted us to report that the OCFC recently agreed to issue \$8 million in tax-exempt bonds to Bnai Yoel, a Hasidic congregation ("The Bond Funds"). A media article about these bonds explained that the funds would be used to refinance a \$5.7 million bank mortgage that Bnai Yoel and Cody Inc. (a shell company of Bnai Yoel) jointly obtained in 2013 and 2014.<sup>1</sup>

The same article quoted Laurie Villasuso as saying that this \$8 million "was allocable to portions of the school that relate to secular education and other secular school-related activities." FFRF is requesting public records to review whether public funds will be allowed to purchase properties that can be used for religious activities. Pursuant to the New York Freedom of Information Law (FOIL § 87(2)), we request a copy of the following records since January 1, 2017:

---

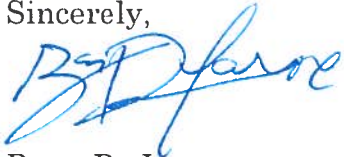
<sup>1</sup> Chris McKenna, *Hasidic congregation secures \$8M in public funding* (Aug. 10, 2017), TIMES HERALD-RECORD, available at [recordonline.com/news/20170810/hasidic-congregation-secures-8m-in-public-funding](http://recordonline.com/news/20170810/hasidic-congregation-secures-8m-in-public-funding).

- 1) Any contracts or other agreements between the OFFC or the New York IDA and either Bnai Yoel or Cody Inc. regarding The Bond Funds;
- 2) Any correspondence, including email, between any representative of the OFFC and any representative of either Bnai Yoel or Cody Inc. regarding The Bond Funds; and
- 3) Any other records relating to The Bond Funds.

If all or any part of this request is denied, we request a written statement of the grounds for the denial. If your agency does not maintain these public records, please provide the names and addresses of the proper custodians. If any records are available in electronic format (preferred), you may email them to [ryan@ffrf.org](mailto:ryan@ffrf.org).

If I can provide any clarification that will help expedite your attention to my request, please contact me at (608) 256-8900. Thank you for your time and attention to this matter.

Sincerely,



Ryan D. Jayne  
Staff Attorney

December 4, 2017

**Via Email and Mail**

Ryan D. Jayne  
Staff Attorney  
Freedom From Religion Foundation  
P.O. Box 750  
Madison, WI 53701

**RE: Freedom of Information Request**  
Orange County Funding Corporation

Dear Mr. Ryan D. Jayne,

This letter will acknowledge receipt of your request dated November 28, 2017, made pursuant to the Freedom of Information Law.

Your request is hereby granted in part and denied in part. As it was readily available, included with this letter you will find a Cover Letter and the complete Application for Financial Assistance to the OCFC from Congregation Bnai Yoel, Inc. The denied, black-lined items in the Application have been redacted due to matters of personal privacy.

Please be advised that it could take approximately 10 business days to locate the additional records you seek if indeed they are available and subject to disclosure under NY Public Officers Law Article VI.

Sincerely,



Laurie Villasuso  
Chief Operating Officer  
Orange County Funding Corporation  
FOIL Officer  
Orange County Industrial Development Agency

Board of Directors

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

Staff

Laurie Villasuso  
-Chief Operating Officer

Joel Kleiman  
-Chief Financial Officer

Kevin T. Dowd  
-Attorney