

Motion By: Diana
Seconded By: Van der Meer

FINAL RESOLUTION
(Isomedix Operations Inc. Project)

A regular meeting of the Orange County Industrial Development Agency was held on July 9, 2015 at 2:00 p.m. (local time) at the offices of the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York 12553.

After the meeting had been duly called to order, the Chairman announced that among the purposes of the meeting was to consider and take action on certain matters pertaining to a proposed project for the benefit of Isomedix Operations Inc. (the "Company").

RESOLUTION AUTHORIZING THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO (i) TAKE A LEASEHOLD INTEREST IN A CERTAIN PARCEL OF LAND LOCATED AT 10 NUCIFORA BOULEVARD AND 32 ELIZABETH DRIVE, EACH IN THE VILLAGE AND TOWN OF CHESTER, ORANGE COUNTY, NEW YORK (COLLECTIVELY, THE "LAND"); (II) APPOINT ISOMEDIX OPERATIONS INC. AS ITS AGENT TO UNDERTAKE A CERTAIN PROJECT AS MORE FULLY DESCRIBED BELOW; (iii) NEGOTIATE AND EXECUTE A LEASE AGREEMENT, LEASEBACK AGREEMENT AND RELATED TAX AGREEMENT; (iv) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES AND USE TAX EXEMPTION FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A PARTIAL REAL PROPERTY TAX ABATEMENT THROUGH THE TAX AGREEMENT; AND (C) IF NECESSARY, A MORTGAGE RECORDING TAX EXEMPTION FOR FINANCING RELATED TO THE PROJECT; AND (v) EXECUTE RELATED DOCUMENTS.

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "Act"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "Agency") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping civic, industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, **ISOMEDIX OPERATIONS INC.**, for itself or on behalf of an entity to be formed (the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of (i) the acquisition of a leasehold interest in an approximately 5.80-acre parcel of land located at 10 Nucifora Boulevard (TMID No. 117-2-4) and an approximately 5.00-acre parcel of land located at 32 Elizabeth Drive (TMID No. 117-2-5), each in the Village of Chester, Orange

County, New York (collectively, the "Land"); (ii) the construction on the Land of an aggregate approximately 61,138 square-foot building consisting of approximately 4,082 square feet of office space and approximately 53,376 square feet of warehouse space (collectively, the "Improvements"), to provide industrial sterilization services to the medical device manufacturing industry; and (iii) the acquisition and installation in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility"); and

WHEREAS, pursuant to General Municipal Law Section 859-a, on June 12, 2015, at 11:00 a.m. local time, in the 2nd Floor Conference Room at the Village Offices, 47 Main Street, Chester, New York 10918, the Agency held a public hearing with respect to the Project and the proposed financial assistance being contemplated by the Agency (the "Public Hearing") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. A copy of the Minutes of the Public Hearing along with the Notice of Public Hearing published and forwarded to the affected taxing jurisdictions ten (10) days prior to said Public Hearing are attached hereto as **Exhibit A**; and

WHEREAS, it is contemplated that the Agency will (i) designate the Company as its agent for the purpose of acquiring, constructing and equipping the Facility pursuant to an agent agreement (the "Agent Agreement"), (ii) negotiate and enter into a lease agreement (the "Lease Agreement"), leaseback agreement (the "Leaseback Agreement") and payment-in-lieu-of-tax agreement (the "Tax Agreement") with the Company, (iii) take title to or a leasehold interest in the Land, the Improvements, the Equipment and personal property constituting the Project (once the Lease Agreement, Leaseback Agreement and Tax Agreement have been negotiated), and (iii) provide financial assistance to the Company in the form of (a) a sales and use tax exemption for purchases and rentals related to the acquisition, construction and equipping of the Project, (b) a partial real property tax abatement through the Tax Agreement, and (c) if necessary, a mortgage recording tax exemption for financing related to the Project; and

WHEREAS, pursuant to the New York State Environmental Quality Review Act, Article 8 of the Environmental Conservation Law and 6 N.Y.C.R.R. Part 617 (collectively referred to as "SEQRA"), on March 24, 2015 the Village of Chester Planning Board (the "Planning Board"), as Lead Agency pursuant to SEQRA, issued a negative declaration (the "Negative Declaration") with respect to the Project, a copy of which is attached hereto as **Exhibit B**; and

WHEREAS, the Lease Agreement, Leaseback Agreement, PILOT Agreement and related documents have been negotiated and are presented to this meeting for approval and execution.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Company has presented an application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Company's application and other correspondence submitted by the Company to the Agency, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act; and

(B) It is desirable and in the public interest for the Agency to appoint the Company as its agent for purposes of acquiring, constructing and equipping the Project; and

(C) The Agency has the authority to take the actions contemplated herein under the Act; and

(D) The action to be taken by the Agency will induce the Company to develop the Project, thereby increasing employment opportunities in Orange County and otherwise furthering the purposes of the Agency as set forth in the Act; and

(E) The Project will not result in the removal of a civic, commercial, industrial, or manufacturing plant of the Company or any other proposed occupant of the Project from one area of the State of New York (the "State") to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project located within the State; and the Agency hereby finds that, based on the Company's application, to the extent occupants are relocating from one plant or facility to another, the Project is reasonably necessary to discourage the Project occupants from removing such other plant or facility to a location outside the State and/or is reasonably necessary to preserve the competitive position of the Project occupants in their respective industries; and

(F) The Planning Board has issued a Negative Declaration with respect to the Project. The Project involves an "Unlisted Action" as said term is defined under SEQR. The review is uncoordinated. Based upon the review by the Agency of the Negative Declaration and related documents delivered by the Company to the Agency and other representations made by the Company to the Agency in connection with the Project, the Agency hereby ratifies the Planning Board's findings that (i) the Project will result in no major impacts and, therefore, is one which may not cause significant damage to the environment; (ii) the Project will not have a "significant effect on the environment" as such quoted terms are defined in SEQR; and (iii) no "environmental impact statement" as such quoted term is defined in SEQR, need be prepared for this action. This determination constitutes a negative declaration for purposes of SEQR.

Section 2. Subject to the Company executing the Agent Agreement and the delivery to the Agency of a binder, certificate or other evidence of liability insurance policy for the Project satisfactory to the Agency, the Agency hereby authorizes the Company to proceed with the acquisition, construction and equipping of the Project and hereby appoints the Company as the true and lawful agent of the Agency: (i) to acquire, construct and equip the Project; (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency with the authority to delegate such agency, in whole or in part, to agents, subagents, contractors, and subcontractors of such agents and subagents and to such other parties as the Company chooses; and (iii) in general, to do all things which may be requisite or proper for completing the Project, all with the same powers and the same validity that the Agency could do if acting in its own behalf; provided, however, the Agent

Agreement shall expire on December 31, 2016 (unless extended for good cause by the Executive Director of the Agency) if the Lease Agreement, Leaseback Agreement and PILOT Agreement contemplated have not been executed and delivered.

Section 3. Based upon representations and warranties made by the Company in the Application, the Agency hereby authorizes and approves the Company, as its agent, to make purchases of goods and services relating to the Project, that would otherwise be subject to New York State and local sales and use tax in an amount up to **\$12,000,000**, which result in New York State and local sales and use tax exemption benefits ("sales and use tax exemption benefits") not to exceed **\$975,000**. The Agency agrees to consider any requests by the Company for increase to the amount of sales and use tax exemption benefits authorized by the Agency upon being provided with appropriate documentation detailing the additional purchases of property or services. Pursuant to Section 875(3) of the New York General Municipal Law, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any sales and use tax exemption benefits taken or purported to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, if it is determined that: (i) the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, is not entitled to the sales and use tax exemption benefits; (ii) the sales and use tax exemption benefits are in excess of the amounts authorized to be taken by the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project; (iii) the sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the Project; or (iv) the sales and use tax exemption benefits are taken in cases where the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, fails to comply with a material term or condition to use property or services in the manner approved by the Agency in connection with the Project. As a condition precedent of receiving sales and use tax exemption benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, shall (i) cooperate with the Agency in its efforts to recover or recapture any sales and use tax exemption benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands.

Section 4. The Chairman, Vice Chairman and/or the Executive Director of the Agency are hereby authorized, on behalf of the Agency, to negotiate and execute (A) the Lease Agreement whereby the Company leases the Project to the Agency, (B) the related Leaseback Agreement conveying the Project back to the Company, and (C) the Tax Agreement; provided, that, (i) the rental payments under the Leaseback Agreement include payments of all costs incurred by the Agency arising out of or related to the Project and indemnification of the Agency by the Company for actions taken by the Company and/or claims arising out of or related to the Project; and (ii) the terms of the Tax Agreement are consistent with the Agency's Uniform Tax Exemption Policy or the procedures for deviation have been complied with.

Section 5. The Chairman, Vice Chairman and/or Executive Director of the Agency are hereby authorized, on behalf of the Agency, to execute and deliver any mortgage, assignment of leases and rents, security agreement, UCC-1 Financing Statements and all documents

reasonably contemplated by these resolutions or required by any Lender identified by the Company (the "Lender") up to a maximum principal amount necessary to undertake the Project, acquire the Facility and/or finance or refinance equipment and other personal property and related transactional costs (hereinafter, with the Lease Agreement, Leaseback Agreement and Tax Agreement are collectively referred to as, the "Agency Documents"); and, where appropriate, the Secretary or Assistant Secretary of the Agency is hereby authorized to affix the seal of the Agency, if any, to the Agency Documents and to attest the same, all with such changes, variations, omissions and insertions as the Chairman, Vice Chairman and/or Executive Director of the Agency shall approve, the execution thereof by the Chairman, Vice Chairman and/or Executive Director of the Agency to constitute conclusive evidence of such approval; provided in all events recourse against the Agency is limited to the Agency's interest in the Project.

Section 6. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all acts and things required and to execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions and to cause compliance by the Agency with all of the terms, covenants and provisions of the documents executed for and on behalf of the Agency.

Section 7. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<u><i>Yea</i></u>	<u><i>Nay</i></u>	<u><i>Absent</i></u>	<u><i>Abstain</i></u>
Robert T. Armistead	✓			
Mary Ellen Rogulski	✓			
Stephen Brescia	✓			
John Steinberg, Jr.			✓	
Henry VanLeeuwen	✓			
Robert J. Schreibeis, Sr.	✓			
Edward A. Diana	✓			

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned Secretary of the Orange County Industrial Development Agency, DO
HEREBY CERTIFY:

That I have compared the foregoing extract of the minutes of the meeting of the Orange
County Industrial Development Agency (the "Agency") including the resolution contained
therein, held on July 9, 2015, with the original thereof on file in my office, and that the same is a
true and correct copy of the proceedings of the Agency and of such resolution set forth therein
and of the whole of said original insofar as the same relates to the subject matters therein referred
to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting,
that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public
Officers Law (Open Meetings Law), said meeting was open to the general public, and that public
notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency present
throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force
and effect and has not been amended, repealed or modified.

IN WITNESS WHEREOF, I have hereunto set my hand and seal of said Agency this 9th
day of July, 2015.

Stephen Brescia
Stephen Brescia, Secretary

Exhibit A

Public Hearing Minutes & Notice of Public Hearing

[See Attached]

Exhibit B

Negative Declaration Issued by the Village of Chester Planning Board

[See Attached]

Exhibit A

Public Hearing Minutes & Notice of Public Hearing

[See Attached]

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Orange County Industrial Development Agency (the "Agency") on Friday, June 12, 2015, at 11:00 a.m. local time, in the 2nd Floor Conference Room at the Village Offices, 47 Main Street, Chester, New York 10918, in connection with the following matter:

ISOMEDIX OPERATIONS INC., a Delaware corporation, for itself or on behalf of an entity formed or to be formed (collectively, the "Company"), has submitted an application (the "Application") to the Agency requesting the Agency's assistance with respect to a certain project (the "Project") consisting of (i) the acquisition of a leasehold interest in an approximately 5.80-acre parcel of land located at 10 Nucifora Boulevard (TMID No. 117-2-4) and an approximately 5.00-acre parcel of land located at 32 Elizabeth Drive (TMID No. 117-2-5), each in the Village of Chester, Orange County, New York (collectively, the "Land"); (ii) the construction on the Land of an aggregate approximately 61,138 square-foot building consisting of approximately 4,082 square feet of office space and approximately 53,376 square feet of warehouse space (collectively, the "Improvements"), to provide industrial sterilization services to the medical device manufacturing industry; and (iii) the acquisition and installation in and around the Improvements of certain items of equipment and other tangible personal property (the "Equipment" and, collectively with the Land and the Improvements, the "Facility").

The Agency will appoint the Company as its agent to undertake the Project and, if necessary, acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the agency appointment and/or lease agreement. At the end of the Project, the Company's agency status will be terminated together with any leasehold interest of the Agency. The Agency contemplates that it will provide financial assistance (the "Financial Assistance") to the Company in the form of sales and use tax exemptions, a real property tax abatement and, if necessary, a mortgage recording tax exemption for financing related to the Project; all consistent with the policies of the Agency unless procedures for deviation are complied with.

A representative of the Agency will be at the above-stated time and place to present a copy of the Company's Application (including a cost-benefit analysis) and hear and accept written and oral comments from all persons with views in favor of or opposed to or otherwise relevant to the proposed Financial Assistance.

Dated: June 1, 2015

By: ORANGE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

2 ORANGE COUNTY INDUSTRIAL AGENCY
3 STATE OF NEW YORK

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4 IN THE MATTER OF
5 ISOMEDIX OPERATIONS INC.

-----x

6 Village of Chester Village Hall
7 47 Main Street
8 Chester New York
9 June 12, 2015
10 11:00 a.m.

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13 B E F O R E: James Petro, Chairman
14 Orange County IDA

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FRANCES ROTH
COURT STENOGRAPHER
168 North Drury Lane
Newburgh, New York 12550
(845) 566-1641

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

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

8

Laurie Villasuso, Associate Executive Director, OCIDA

9

10 HARRIS BEACH, PLLC
11 BOND COUNSEL TO OCIDA
12 99 Garnsey Road
13 Pittsford, NY 14534
14 BY: RUSSELL E. GAENZLE, ESQ.

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ISOMEDIX OPERATIONS INC.

MR. PETRO: At this time, I'll open the public hearing for Isomedix Operations in the Village of Chester. Would everyone please stand for the Pledge of Allegiance?

(Whereupon, the Pledge of Allegiance was recited.)

MR. PETRO: We have a sign-in sheet but I think everybody signed in that's here. Counselor, would you read the Notice of Public Hearing please?

MR. DOWD: Yes, sir. Notice is hereby given that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Orange County Industrial Development Agency on Friday, June 12, 2015 at 11:00 a.m. local time in the 2nd floor conference room at the Village Offices, 47 Main Street, Chester, New York 10918 in connection with the following matter. Isomedix Operations Inc., a Delaware Corporation for itself or on behalf of an entity formed or to be formed has submitted an application to the Agency requesting the Agency's assistance with respect to a certain project

ISOMEDIX OPERATIONS INC.

consisting of (i) the acquisition of a leasehold interest in an approximately 5.80 acre parcel of land located at 10 Nucifora Boulevard and an approximately 5.00 acre parcel of land located at 32 Elizabeth Drive, each in the Villae of Chester, Orange County, New York; (ii) the construction on the Land of an aggregate approximately 61,138 square foot building consisting of approximately 4,082 square feet of office space and approximately 53,376 square feet of warehouse space to provide industrial sterilization services to the medical device manufacturing industry; and (iii) the acquisition in and around the Improvements of certain items of equipment and other tangible personal property. The Agency will appoint the Company as its agent to undertake the Project and, if necessary, acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the agency appointment and/or lease agreement. At the end of the Project, the Company's agency status will be terminated together with any leasehold interest of the

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Agency. The Agency contemplates that it will provide financial assistance to the Company in the form of sales and use tax exemptions, a real property tax abatement and, if necessary, a mortgage recording tax exemption for financing related to the Project; all consistent with the policies of the Agency unless procedures for deviation are complied with. A representative of the Agency will be at the above-stated time and place to present a copy of the Company's application and hear and accept written and oral comments from all persons with views in favor of or opposed to or otherwise relevant to the proposed Financial Assistance. Dated June 1, 2015 by Orange County Industrial Development Agency.

MR. PETRO: Thank you. So today we have Kevin Dowd who just read that, he's the IDA attorney, Russ Gaenzle is bond counsel from Harris Beach for Orange County, Franny's our stenographer for many years, Laura Villasuso is the Associate Executive Director, I'm Jim Petro, I'm the Executive Director of the Orange County IDA. Obviously, there's not going to be any

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1 action taken here today. This is only for
2 informational purposes only. So we report back
3 to the board any comments from the public or
4 institutions that want to speak for or against or
5 any comment relative to Isomedix Operations.
6 With that being said, this is for a 10 year PILOT
7 and also the sales tax use tax exemptions, no
8 mortgage tax as they're not taking out a
9 mortgage. So we've reviewed this only on a
10 conceptual basis at the IDA and set up the public
11 hearing. Is anyone here from the company?
12

13 MR. THOMAS: Yes.

14 MR. PETRO: Why don't you state, this is not
15 a planning board, just basically what you're
16 planning to do, maybe just give us a very quick
17 update.

18 MR. THOMAS: Mark Thomas, Director of
19 Operations for Steris Corporation. As indicated
20 in the application, we are proposing to build
21 roughly a 60,000 square foot facility for the
22 primary business of sterilizing medical devices,
23 pharmaceutical packaging. This is an addition to
24 an existing operation, it's a new piece of
25 property but it's in addition to our operations

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2 in the Chester Industrial Park where we have
3 enjoyed a good relationship for a little over 23
4 years now. It is not impactful to the existing
5 operation, that particular operation is a 7-24
6 hour operation and will continue to be so,
7 employs about 115 folks at that location. The
8 new location we anticipate employing an
9 additional 25 folks in the first few years of
10 operation with the potential to grow as our
11 business grows forward. Really that's the brief.

12 MR. PETRO: Why is the 10 year PILOT
13 important to the applicant?

14 MR. THOMAS: It's important, we have, we do
15 operate facilities throughout the northeast and
16 in other areas as well that we've been assessing
17 and continue to assess for potential opportunity.
18 We're looking to offset some premium rates and
19 such that we're paying here to locate in the
20 area. It's complimentary to our existing
21 operation which is ideal for us to want to be
22 here but there are some other impactful areas in
23 terms of the cost to operate in New York and so
24 forth.

25 MR. PETRO: You don't have to be here, in

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2 other words, this enables you to come here.

3 MR. THOMAS: It enables us to continue to
4 expand here as well as to position ourselves for
5 future expansion.

6 MR. PETRO: You don't find New York business
7 friendly, cheap to operate and live?

8 MR. THOMAS: Again, we've done well over the
9 years, we like it here but there are always other
10 options of course, you know, our business can be
11 sited close to the manufacturers and/or the
12 distribution supply chains for our customers.
13 We're a service provider so we don't manufacture,
14 we actually bring in customer products for
15 sterilizing and return it to their locations.
16 Many of their locations are in the PA area and
17 southern Jersey area, some of their manufacturing
18 locations are up in New England so we're in the
19 middle of the supply chain. But we could be
20 based on either end of that near the
21 manufacturing plant or near the distribution
22 facilities. With other distribution centers in
23 that particular industry, you know, looking to
24 Orange County, it does make it a nice location
25 for us but we're pretty portable when it comes to

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2 that. The one good thing is for our business
3 because of the capital investment in the
4 construction itself when we build these they're
5 there to stay. We don't move them. All of our
6 facilities once we've sited them currently have
7 been at those locations for greater than 20, 25,
8 20, 30 years in some cases. It's a large,
9 concrete structure that just isn't easy to pick
10 up and move once it's sited but because of that
11 the decisions on the front end need to be
12 scrutinized pretty close to make sure we do put
13 it in the right location.

14 MR. PETRO: At this time I'll open it up to
15 the public for any comment that's relevant to the
16 operation. Please state your name and your
17 concerns and we'll go from there. Anybody want
18 to speak?

19 MR. BRENNAN: Erin Brennan from Chester
20 Schools. Just concerned with the impact on the
21 school district for the lack of revenue produced
22 from this project and also--

23 MR. PETRO: Do you mean the extra revenue,
24 which way?

25 MR. BRENNAN: For the construction being

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2 phased in over the 10 years, I'm not exactly sure
3 which PILOT agreement we're looking to--

4 MR. PETRO: It's a regular enhanced 10 year
5 PILOT, 10 percent a year for 10 years, not 485-b,
6 that's half of a 10 year PILOT, starts at
7 50 percent and goes up.

8 MR. BRENNAN: They're only considering the
9 standard?

10 MR. PETRO: Double the 485-b because it's a
11 55 percent savings over the 10 years instead of a
12 27.5 percent savings.

13 MR. BRENNAN: So the revenue that would be
14 produced or saved from this would be about a
15 million dollars. I know that the corporation
16 would be very interested in saving that tax
17 revenue but that's also what we use to operate
18 our facilities.

19 MR. PETRO: What we have to understand and
20 we explain quite a bit is that first of all,
21 right now it's land and whatever they get,
22 whatever PILOT that's sought and received there's
23 no abatement from the land taxes that's already
24 being paid and will be absolutely no abatement
25 from special district charges. They have to be

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2 paid in full, there's no abatement, none of this
3 affects any of that district. So whatever you're
4 getting today, the school district's getting
5 today it's never impacted. We're not taking
6 anything away, not one dime, it's only going
7 forward. So, therefore, in the first year you're
8 going to get 10 percent more than you are today,
9 then 20 percent, 30 percent, 40 percent, so we're
10 not taking anything away from the school
11 district. Again, it will be phased in over 10
12 years, in year six you're getting 60 percent of
13 the total tax plus the land in full plus the
14 special district charges. So it's only a gain
15 for the school district no matter any way that
16 you look at it. Yes, it is phased in at a slower
17 pace than if there were no abatement at all
18 because you'd be getting the whole thing but that
19 also impacts the company. And a lot of times
20 companies in the first 10 years of their life
21 have a hard time affording that, especially in
22 New York where we're rated 50 out of 50 for
23 business friendly, they really need the incentive
24 to be competitive with other states or other
25 areas because they offer what we offer or more.

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2 So in order to be competitive to even have them
3 think about building in Chester, we try to offer
4 these incentives which we're allowed to by New
5 York State Law to entice them. Orange County
6 Partnership is here, they try to incentivize
7 companies to come here in the first place and/or
8 retain them here. That's another problem, so
9 many people are leaving. I own a business
10 myself, I understand what it is to get a school
11 tax bill for \$60,000 on a building. I mean, I'm
12 sure you live somewhere and you get that bill,
13 it's like wow, it's not easy to live around here.
14 We're just trying to make it a more even playing
15 field in the beginning, it's only in the
16 beginning, it's for the 10 year period, it's not
17 no taxes for 10 years, you would receive in the
18 end 45 percent of the taxes that you would have
19 received if we did nothing. That's the real
20 number plus the land plus the special that's
21 again, I know I keep repeating it, but that's
22 important, it's important that you know that the
23 school district is not going backwards, it's not
24 getting--

25 MR. GAENZLE: Also note that the PILOT will

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2 not impact the existing facility, that will
3 remain on the tax rolls and continue to pay full
4 taxes, so just the increase in assessed value as
5 a result of the construction.

6 MR. PETRO: Correct.

7 MR. BRENNAN: That's an interesting point.
8 Do you consider when you approve these agreements
9 any pending litigation that's on the books now
10 considering tax certiorari actions that have been
11 initiated by the company and their existing
12 property?

13 MR. GAENZLE: No, the answer to that is no,
14 we don't interfere with any company's right to
15 grieve taxes if they feel that they're
16 overassessed, that's not our role.

17 MR. BRENNAN: Okay.

18 MS. DANA: If I can say a couple things?
19 I'm Amanda Dana from Orange County Partnership.

20 MR. BRENNAN: Nice to meet you.

21 MS. DANA: Nice to meet you. A lot of times
22 the school districts don't even know the battle
23 that's out there to win projects and to keep
24 people and companies here because by the time it
25 gets to this level now you're being involved.

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2 This company has a history of being here and
3 paying their taxes and are a wonderful job
4 creator and provider of employment. I certainly
5 can see, you know, it would be nice if other
6 state comes down here and we can operate a little
7 more economically but right now, it's a challenge
8 but every day we're trying to compete against
9 other states, more states who will basically give
10 anything to have a company like Steris there,
11 we're very fortunate if they decide to stay here.
12 If you'd like to, if you have a question about
13 PILOTS, please call our office.

14 MR. BRENNAN: I will and I do appreciate the
15 job you're doing. It's just that we're, our
16 interests I think are on two sides of the same
17 issue. Appreciate that.

18 MR. PETRO: Anything else? Can we explain
19 anything else?

20 MR. BRENNAN: One other question about the
21 actual application. The application that I have
22 updated July 2014 doesn't show any request for an
23 abatement of property tax, just an abatement of
24 sales taxes, is there an updated update?

25 MS. VILLASUSO: I believe I sent you the

1 ISOMEDIX OPERATIONS INC.

2 whole package, the one of the two letters updated
3 the application, it was an addendum to the
4 application. So I think it might be the letter
5 that your hand is on. We just supplemented the
6 application with the request and the letter.

7 MR. BRENNAN: Thank you.

8 MR. PETRO: Gentlemen? Sir? Okay, at this
9 time not seeing any hands up to speak, I'll close
10 the public hearing and open it back up to the
11 panel, if you have anything you want to add,
12 Kevin?

13 MR. DOWD: No.

14 MR. GAENZLE: No, thank you.

15 MS. VILLASUSO: No.

16 MR. PETRO: Myself, no. I think we know
17 that the schools, cause we get this quite a bit,
18 obviously need money too and the source of income
19 is property tax and you have mandates handed down
20 from Albany that you have to do and it's up to
21 you to figure out how to do it. But again, we're
22 only moving forward and I think that that really
23 kind of gives a good answer to your concerns that
24 you're not going to give up anything. And Russ
25 made a very good point, they're an existing

1 ISOMEDIX OPERATIONS INC.

2 facility, it's not being impacted at all and the
3 first year you'll get 10 percent. Time goes very
4 quick, I was in high school a minute ago, already
5 that's 45 years so time flies. And it's a
6 partial tax abatement, not a full abatement. So
7 I think they'll do well, especially with such a
8 good company. We do appreciate that you brought
9 them here and you're thinking of staying. With
10 that, I close the hearing and thank everybody for
11 coming.

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14 (Proceedings concluded at 11:15 a.m.)

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

4

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

7

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

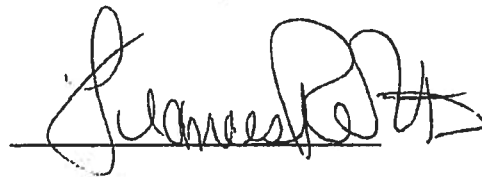
12

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

16

17

18

A handwritten signature in cursive script, appearing to read 'Frances Roth', written over a horizontal line.

19

FRANCES ROTH

20

21

22

23

24

25

Exhibit B

Negative Declaration Issued by the Village of Chester Planning Board

[See Attached]

VILLAGE OF CHESTER

47 Main Street
Chester, New York 10918

MAYOR: PHILIP VALASTRO
VILLAGE CLERK: REBECCA RIVERA

Tel: 845-469-2388
Fax: 845-469-5999

Website: villageofchesterny.com

TRUSTEES: CAROLE DUFFY
JOHN BELL
BETTY- JO BONO
CHRIS BATTIATO

CERTIFICATE OF RESOLUTIONS OF THE VILLAGE OF CHESTER PLANNING BOARD

Joan Missy Sosler, Clerk of the Village of Chester Planning Board in Orange County, New York, hereby certifies that the following is a true copy of a Resolution duly adopted by the Village of Chester Planning Board at its meeting held March 24, 2015 with respect to the Application of Steris Isomedix Services for the construction of an approximately 61,134sf warehouse storage facility located on Leone Lane and Nucifora Blvd., Chester, NY.

Chairman Ramsdell proposed the following motion: Resolution to declare a negative declaration for SEQRA. Based on all of the information submitted, this project will not have a potentially significant negative impact.

Motion made by Anthony LaSpina, seconded by Robert Jankelunas. The Motion was passed 4 to 0.

In Witness Whereof, I have signed this certificate this 27 day of March 2015.



Joan Missy Sosler

Clerk of the Village of
Chester Planning Board