

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

November 28, 2007

A regular meeting of the Orange County Industrial Development Agency was convened in public session on November 28, 2007 at 3:00 P.M. at the County Government Center, Goshen, in Orange County, New York.

The meeting was called to order by the Chairman, David MacFarland, and upon roll being called, the following were

PRESENT: David MacFarland, Stephen Brescia, John Steinberg, Henry Van Leeuwen, James Petro

ABSENT: Robert Armistead, Daniel Coleman

ALSO PRESENT: William Trimble – Executive Director
Edda Eller – Recording Secretary
Joel Kleiman – IDA Treasurer
Phil Crotty – Attorney
Lorrie Dana – Secretary to Executive Director
Maureen Halahan – Orange County Partnership
Bill Lahey – Orange County Legislature
John Stack – Catlin Inn

Chairman David MacFarland asked for a motion to approve October 17, 2007 minutes. Stephen Brescia made a motion to approve minutes as presented and Henry Van Leeuwen seconded motion. Minutes approved by all members present.

Treasurer Joel Kleiman presented financial report for October 2007. He prepared and handed out an investment portfolio of certificates of deposits showing various banks and maturity dates making funds available at times of various committed obligations to be paid. He also pointed out that 60% of revenue for 2007 was received. Henry Van Leeuwen made a motion seconded by John Steinberg to approve Treasurer's report as submitted. Affirmative votes of all members present resulted in motion carried.

Treasurer Joel Kleiman presented the following: Received from C&S Wholesale Grocers application fee in the amount of \$5000. Vouchers and payments to the following: Henry J. Holley \$3,340.84 for litigation Cole v. O.C.I.D.A 1/2/02-9/28/06, Harris Beach for \$2,500 pass-thru legal fees for C&S Wholesale Grocers, Harris Beach for \$2,500 pass-thru legal fees for CRH Realty II, Ausfeld & Waldruff Land Surveyors \$13,400 for 58.75 acre O.C.I.D.A. project, NYSEDC \$750 for 2008 membership dues, Stuart Turner & Associates \$2,575.99 for Stewart land service 10/17-10/28/07, Philip Crotty \$7,577.50 for legal fees September 2007, Orange County Partnership \$1,320.00 for annual event reservation, Orange County Partnership \$50,000 4th quarter 2007, Orange County Capital Development Corp. \$50,000 (payment three of three for 2007), Orange County Development Corp. \$5,000 for semi-annual management fee. A motion was made by Henry Van Leeuwen and seconded by John Steinberg to approve vouchers and payments as presented. Affirmative votes of all members present resulted in motion carried.

James Petro informed members that he met with Stuart Turner and New Windsor Engineers and also with Wayne Booth of New Windsor discussing the process of water and sewer lines regarding the 58-acre project at Stewart. Regarding the second plot of land (100 +/- acres), they are waiting for a response and decision from Empire Development Corp. following letter of Philip Crotty. Once they receive a MOU from EDC, a fly over for topographic will be done.

Stephen Brescia, Chairman of the O.C.I.D.A. Governance Committee, reported that their first meeting was held on November 26, 2007. First order of business was to discuss the mission of the Governance Committee. It was stated that it is to be the Steering Committee, the watchdog for the IDA. The committee is to continuously review the IDA By-Laws, agency policy and procedure to assure that the best practice is always maintained. They will make recommendation to the Board for any necessary changes or additions that would be to the best interest and mission of the IDA. The first topic discussed was that of the General Liability Insurance needs for IDA projects. It had come to the attention of the IDA that in the past they have had a policy of requiring secondary general liability coverage for each project. This is in addition to insurance coverage required by the IDA at the time of closing. The Director of the IDA reported that he had contacted their Bond Counsel, Office of Risk Management and several insurance carriers regarding this policy. Bond Counsel informed them that to the best of their knowledge we are the only ones doing this requirement. In the closing documents with each applicant, insurance requirements are spelled out and clear as to the obligation of the project to indemnify, hold harmless, and non-contributory responsibility for the Orange Count IDA. After further discussion the committee agreed to recommend to the Board that the policy of secondary general policy of secondary

general liability requirements be stopped. It was suggested that a review of the formula to determine the dollar amount of general liability for each project be reviewed before closings. The Director will bring back that information to the next Governance Committee meeting. Next item discussed was the need for a policy and procedure for handling Grant Requests to the IDA. It was agreed that the Committee would recommend to the Board a need to establish an application and a By-Law procedure in order to identify what types of projects would be fundable by the IDA and in conjunction with their mission statement. The County Executive, who made comments regarding the IDA and policy of Grants, joined the Committee at this time. Areas in the past used to consider grant applications included employment generation, tourism, economic development attraction tools and a benefit to the entire County. The Director will bring back a draft application for the Governance Committee at their next meeting.

After a full discussion, Stephen Brescia made a motion to cancel the primary general liability insurance coverage with Dickerson & Meany for buildings only owned or leased for IDA financing purposes and rely on the IDA being named "additional insured" on the respective client companies' general liability insurance policies, provided that each financed project's General Liability policy shall be reviewed and determined on its own merits. Henry Van Leeuwen seconded motion and affirmative votes of all members present resulted in motion carried.

Bill Trimble made members aware of the 2008 IDA Section Conference & PAAA Training Course to be held in Albany January 22 – 24, 2008. Information for the conference was included in the packet mailed to members prior to the meeting. The director will investigate having Bond Counsel provide PAAA training for the Board in Orange County.

Presented was a Resolution approving a \$25,000 computer, website, and equipment grant to Orange County Partnership. The President of the Orange County Partnership had sent a letter to the IDA Chairman dated November 13, 2007 requesting a grant of \$25,000 for a new computer server and equipment to serve its expanding needs including website, training, and media marketing initiatives. The grant is to be expended not later than December 31, 2008 or any monies remaining on the grant shall be lost, and the grant is to be disbursed based on vouchers submitted to the IDA prior to that date. Stephen Brescia made a motion seconded by Henry Van Leeuwen to approve grant as presented. Affirmative votes of all members present resulted in motion carried.

Up for discussion was a previously submitted application from Habitat for Humanity of Greater Newburgh in the amount of \$250,000. Henry Van Leeuwen made a motion seconded by James Petro to accept application as presented. With votes of four nays and one aye, motion not carried. It was noted that this request did not fit the criteria of the IDA's mission at this time.

Discussion followed and it was decided that the IDA needs to establish future guidelines for such projects coming in. This was referred to the Governance Committee.

Presented was a Resolution authorizing expenditure for fly-over and ground control activities for the proposed 100-acre acquisition. The County Executive and IDA Chairman, pursuant to IDA resolution dated October 17, 2007, have sent a letter dated October 25, 2007 to the Regional Director of the Empire State Development Corp. seeking approval for this IDA to acquire an additional 100 +/- acres of land west of Drury Lane from the State of New York. It is necessary to determine with specificity the size and dimensions of the land to be acquired by means of an aerial survey and ground control. A request was issued to two aerial survey companies in the same manner as for the previous 58-acres project. Responses have been received from both companies, and the low responder is Robinson Aerial Surveys in the amount of \$8,125 as compared to Golden Aerial Surveys at \$10,040. Henry Van Leeuwen made a motion seconded by John Steinberg authorizing the Committee Chairman to counter-sign the proposal from Robinson Aerial Surveys in the amount of \$8,125 at a time when ESDC has responded affirmatively to the letter of request from the County Executive and IDA Chairman regarding the acquisition of the additional 100 +/- acres. Affirmative votes of all members present resulted in motion carried.

Presented was a Final Resolution for Slate Hill Associates Project authorizing the execution and delivery of the lease agreement, leaseback agreement, payment-in-lieu-of-tax-agreement, and, if necessary, a mortgage and related documents with respect to the Slate Hill Associates "Catlin Inn" project. The project consisting of the acquisition of title to or a leasehold interest in an approximately 11-acre parcel of land located at 2865 Route 6, Slate Hill, in the Town of Wawayanda, Orange County, New York, the construction and equipping on the land of an approximately 45,000 square-foot building to be used by the Company as a business conference meeting center and Inn. Henry Van Leeuwen made a motion seconded by James Petro to approve Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a Final Resolution for Medline Industries, Inc. Project, authorizing the Orange County IDA to take title to, or a leasehold interest in, an approximately 60-acre parcel of land located off of New York State Route 6 in the Town of Wawayanda, Orange County, New York. Appoint Medline Industries, Inc. as its agent to negotiate and execute a lease agreement, leaseback agreement and related payment-in-lieu-of-tax agreement, provide financial assistance to the company in the form of a Sales Tax Exemption for purchases and rentals related to the acquisition, construction and equipping of the project, a partial Real Property Tax Abatement through the PILOT agreement, and if necessary, a mortgage recording Tax Exemption for the financing related to the project, and execute related documents. Henry Van Leeuwen made a motion seconded by James Petro to approve Resolution as presented. Affirmative votes of all members present resulted in motion carried.

Presented was a Final Resolution for International Business Machines Corporation authorizing the Orange County Industrial Development Agency to retain title to or other interest in the property located at 299 Long Meadow Road, Warwick, Orange County, New York. Appoint IBM Corporation as its agent to execute and deliver a first amendment to lease agreement, first amendment to PILOT agreement and related documents; provide financial assistance to the Company in the form of a Sales Tax Exemption for purchases and rentals related to the acquisition, construction and equipping of the project, and a partial Real Property Tax abatement through the PILOT agreement.

Stephen Brescia made a motion to move the IDA's scheduled December 19 meeting to December 12, 2007. Henry Van Leeuwen seconded motion and affirmative votes of all members present resulted in motion carried.

Presented was a letter addressed to the IDA's Chairman, David MacFarland, from Pattern for Progress requesting a grant in the amount of \$20,000. It was decided to table the request until the December 12, 2007 meeting.

Henry Van Leeuwen made a motion that this meeting be duly adjourned, the time being 4:45 p.m.

Edda Eller
Recording Secretary