

ORIGINAL

2 ORANGE COUNTY INDUSTRIAL AGENCY
3 STATE OF NEW YORK

-----x

4 IN THE MATTER OF

5 MATRIX NEWBURGH I, LLC

6 -----x

7 Newburgh Town Hall
8 1496 Route 300
9 Newburgh New York
10 August 12, 2015
11 11:00 a.m.

12
13 B E F O R E: James Petro, Chairman
14 Orange County IDA
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23 FRANCES ROTH
24 COURT STENOGRAPHER
25 168 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

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Laurie Villasuso, Associate Executive Director, OCIDA

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2 MR. PETRO: I'd like to call this public
3 hearing to order for Matrix of Newburgh I, LLC.
4 Would everyone please stand for the Pledge of
5 Allegiance?

6 (Whereupon, the Pledge of Allegiance was
7 recited.)

8 MR. PETRO: Today we have Kevin Dowd, he's
9 the IDA's attorney, Laurie Villasuso, Associate
10 Executive Director, Franny does all our
11 stenographer work here and does a fine job with
12 the minutes. I'm Jim Petro, I'm the Executive
13 Director. Obviously, there will be no action
14 taken today, it's for informational purposes
15 only. We report back to the board on any
16 comments that will be made today. With that, if
17 you have phones, please turn them off. And
18 Kevin, you have a Notice of Public Hearing that
19 you can read into the minutes?

20 MR. DOWD: I sure can. Notice is hereby
21 given that a public hearing pursuant to Article
22 18-A of the New York General Municipal Law will
23 be held by the Orange County Industrial
24 Development Agency on Wednesday, August 12, 2015
25 at 11:00 a.m. local time at the Newburgh Town

1 MATRIX NEWBURGH I, LLC
2 Hall, 1496 Route 300, Newburgh, New York 12550,
3 in connection with the following matter. MATRIX
4 NEWBURGH I, LLC, a New Jersey limited liability
5 company, for itself or on behalf of an entity
6 formed or to be formed has submitted an
7 application to the Agency requesting the Agency's
8 assistance with respect to a certain project
9 consisting of (i) the acquisition by the Agency
10 of a leasehold or other interest in an aggregate
11 approximately 69 plus/minus parcel of land
12 located at 1901 Corporate Boulevard in the Town
13 of Newburgh, Orange County, New York; (ii) the
14 construction on the Land of an approximately
15 565,000 square foot building of which 317,000
16 square feet will be leased to a pharmaceutical
17 distributor and utilized as a modern distribution
18 center with automated pharmaceutical distribution
19 technology, and the remaining 248,000 square feet
20 will remain unoccupied for spec space for future
21 development; and (iii) the acquisition and
22 installation in, on and around the Improvements
23 of certain items of equipment and other tangible
24 personal property. The Agency will acquire a
25 leasehold interest in the Facility and lease the

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Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Agency's leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance to the Company in the form of sales and use tax exemptions, a mortgage recording tax exemption and a real property tax abatement, 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 July 31, 2015 by Orange County Industrial Development Agency.

MR. PETRO: Thank you, Kevin. This one is a little bit, it's really a straightforward application. The only difference here is that the entire building which is 565,000 square feet the PILOT is only going to be reviewed for the 317,000 feet approximately that's going to be

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used by the tenant. The remainder of the space being the IDA and the owner at this time Matrix doesn't know what the tenant will be. We're not affording a 10 year PILOT because it may not fall under our purview to do so. So at a later time if the applicant wanted to come back and go before the IDA, talk it over with the town, come back, we can always review it and enhance, augment the 485-b which is granted to them by state law, they don't need to be doing that through the IDA. But we're, because we're doing it by right they have the 485-b on the balance, we can advance it to a 10 year at another time we can look at it. We do have representatives here from the company today, I would ask that the company remember this is not a planning board presentation so planner keep whatever you want to talk about for IDA purposes and then we'll open it up to the public after you make a short presentation. Who'd like to speak on behalf?

MR. HANS: Thank you. My name is Gary Hans from the owner/developer Matrix Development Group and I guess I'll just give a little introduction. If there's any glaring omissions that you'd like

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to know more about, by all means ask me. As stated, we're going to be developing a building. Just from a location standpoint so everyone's aware, our property is, the boundaries of our property are Interstate 84 to the north, Thruway to the east, Route 17K to the south. It's a commercial area, it's basically the perfect site for the type of projects that we do. We've owned the property for about eight years and the building that we have laid out for the site as mentioned before is approximately 565,000 square feet. We've been fortunate enough to identify an anchor tenant who's here with us, they'd approximately occupy 317,000 square feet. The balance of the building we'll put up speculative and our hope is that potentially AmerisourceBergen may well expand into the whole building. But we have identified, studied Orange County for a long time. We've owned this land for a long time. We're very active developers in the New Jersey Pennsylvania area and that's our geographic range. We're not a nationwide company, we're regional. It may be somewhat foreign to in Orange County to see speculative

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development but it's prevalent in Pennsylvania and New Jersey. We have studied the market and we feel that the market is ready for it. So we're prepared to build the whole building at this point. Just for some numbers, currently we'll compete here in Orange County against projects in Pennsylvania, Lehigh Valley, areas like that as well as northern central New Jersey. As we speak right now, there's over three million square feet of space being developed in Lehigh Valley, about 93 percent of that is speculative meaning it's constructed without a tenant being identified and in central northern New Jersey, 2.7 million square feet and 65 percent of that is developed speculatively. I think there's been some concern about who might move into the back portion of this building. Obviously, we can't say for certain right now who that would be but we do have a pretty good idea of the profile of what that tenant is and we'll be building a class A facility. A class A facility will attract class A tenancy. I have brought with us, with me some samples of other representative projects we have developed. These are based in central New

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Jersey and you can see from the tenant roster, Marquis Company, Granger is in the Town of Newburgh, much smaller building but we have constructed a 400,000 square foot building for them, companies like Volkswagen, Sleepy's, Seaman's Medical, that's the kind of caliber of companies that we think we'd attract to the building. More recently the projects we have done, we have done projects that have landed Amazon, we have put up spec buildings that attracted Falcon Tire, Lazy Boy Furniture, in this area the most active tenants up here tend to be pharmaceutical companies as we're seeing a number of DCs, distribution centers being developed, pharmaceutical companies, food is quite active up here. And again, with the class of building that we're building, it would not surprise me to see E commerce, E commerce is driving a lot of the distribution, logistics growth in New Jersey and Pennsylvania, those are names like Amazon, that's by far the biggest company and the one driving most of the growth but many others including traditional retailers who now are running their own E commerce

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facilities. And what will attract companies like that to a location like this are again we're building a state-of-the-art building, 36 foot clear height. One of the number one priorities is to have high roof height because these facilities employ a lot of people, what they're doing is they're sending out small shipments to homes, lot of people working in facilities. They tend to put mezzanines so pick and pack, send things out for distribution, proximity to major local highways as well as companies like Federal Express, United States Postal Service, Marquis, this area has all of that. And so again, while we're not building the second part of this building with the specific tenant in mind, that's the profile that we'd expect that would ultimately come around and lease it. Matrix has been in business for over 35 years. We have developed in excess of 15 million square feet of space like that and currently own and manage a portfolio of approximately 10 million square feet.

MR. PETRO: How long is the lease?

MR. HANS: Ten years with extension options

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2 at least to double that term.

3 MR. PETRO: Okay, that's perfect what you
4 did, did you want to repeat it?

5 MR. HANS: Not unless you'd like me to.

6 MR. PETRO: Okay, I've talked with the
7 supervisor of the Town of Newburgh, Gil, who's
8 here, unless you get up and say something
9 different, I think the town is pleased with this
10 project. When I open it up, Gil, you can say
11 anything.

12 SUPERVISOR PIAQUADIO: Could I say something
13 now?

14 MR. PETRO: Yeah, sure.

15 SUPERVISOR PIAQUADIO: I think when this
16 project, when I heard about it through Jim or
17 whatever, it was a pharmaceutical company that
18 was going to hire like 120 people if my memory is
19 right, 120 people?

20 MR. KLINE: A hundred twenty-one.

21 SUPERVISOR PIAQUADIO: With about a going
22 salary of close to 40 or \$50,000, right? So we
23 felt like this is good, we can use this. And I
24 verbally polled the board at that time, we were
25 ready to go with a resolution. I talked with

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2 Jim, he said slow down, it's going to be a bigger
3 building, everything else. The part that I'm
4 still stumbling with is this, the fact that the
5 building is bigger like for speculation, so if
6 they get their sales tax on construction, is that
7 only going to be sales tax on the two thirds of
8 the building for the pharmaceutical company?

9 MR. PETRO: That's not the way it stands,
10 it's on the entire building.

11 SUPERVISOR PIAQUADIO: Basically sales tax
12 on the building, to me that doesn't seem proper
13 right there. But the fact that it's going to be
14 a tenant, I could see if you have a large
15 employer come in, well, these taxes are going to
16 help him with cash flow, hire the hundred people,
17 but when the break is given to the landlord, how
18 is anyone assured it's going to pass on to the
19 tenant?

20 MR. PETRO: We've been through that a number
21 of times. We're copied and we want to know for
22 sure that the tenant is benefiting from the
23 abatements because we're not here to make
24 landlords wealthy on the backs of the taxpayers.
25 So, therefore, we'll have to get a copy of that,

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2 we'll have it, right, in the file?

3 MR. DOWD: Yes.

4 MR. PETRO: We have to be assured you can
5 count for sure that it will be with the stated
6 purpose, if it's not then we actually do a
7 callback.

8 SUPERVISOR PIAQUADIO: What if the tenant
9 moves out in two years?

10 MR. PETRO: Of course you'd have to see
11 what's coming in first, just going to put it over
12 to another tenant that you--look, the same as if
13 it's not, we take a look at it, again, it's a
14 possibility it could be called back.

15 SUPERVISOR PIAQUADIO: At the beginning, I
16 didn't know it was a tenant, I thought if the
17 building got built, good, but if there's moneys
18 borrowed we're not--

19 MR. PETRO: They're borrowing 36 million,
20 yes.

21 SUPERVISOR PIAQUADIO: Are they going to
22 have the whole building with the mortgage tax or
23 just a portion?

24 MR. PETRO: No, it's the whole thing at this
25 time.

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2 SUPERVISOR PIAQUADIO: Well, I don't agree
3 with that, something's got to be worked out
4 differently. Seems like a way of getting the
5 whole thing under the IDA, it really doesn't
6 qualify.

7 MR. PETRO: With 485-b you don't have a
8 problem, PILOT is not a problem, you're talking
9 about sales and mortgage tax only on the 317, not
10 on the balance? We'll have to look at that, talk
11 to you about it, see where we can--it's a concern
12 if it's on spec. I don't know, we'll have to
13 come up with something to talk about. Let me
14 continue then we'll get back to it. If you want
15 to say anything about your company before I open
16 it up for the public.

17 MR. KLINE: Sure, I'm Mike Klein, V.P. of
18 Real Estate for AmerisourceBergen. I'll tell you
19 a little bit about why we're even here. We're a
20 pharmaceutical company, we work between the
21 manufactures and the end users, end users could
22 be hospitals, could be individual people, could
23 be medical centers, could be retail centers like
24 Walgreens, whatever it is. So we're kind of in
25 between. What we're building here is a very

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sophisticated automation system in the building that's going to have millions of conveying system technology. We're spending like \$30 million on equipment, on the technology that goes into it, freezers and coolers and security and everything else, highly regulated under DEA, all the HIPAA laws, so we're spending a lot of money on the inside. How we got here, we have a facility in Mansfield, Massachusetts and we have one in Bethlehem, Pennsylvania. So this is an infill strategy for us, it's one of three we're presently building right now. We're in Mississippi, out in Minnesota and this one so it's an infill strategy to make sure that we're supplying our customers in the right amount of time but also redundancy in case of one building would go down that we always have another facility within drive time that we can supply all the different users. We got here by looking around a lot, we were in Connecticut, we were west of here, we were south of here, we ended up with this site because we think it's the best site in terms of where, its proximity to road systems, to the airport, to our customers, great

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labor and then of course you get into tax incentives and everything else that the, that are considered when we decide. So this is a really good site for us. We're really excited to be part of what Matrix is going to do for us. They're a great company, that was one of the other things, criteria we looked at making sure we were with a great developer, making sure we're not going to get going into doing it with something we're not going to be comfortable with. We're really excited about coming here, trying to get the 121 people started, so it gets through all the approvals, gets started probably be the end of '16, beginning of '17 until we become operational. So there's a long runway in terms of getting all that going. But for us, this is a really good site and a property and we're just happy to be here. So I'll answer any questions about either the company or our intent also if anybody has something they're interested in.

MR. PETRO: I'll open it up in a minute. I think, Gil, from what I'm understanding, the town has absolutely no difficulties with what we're doing on the 317,000 feet, the PILOT, the 10

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year, the sales tax or the mortgage tax. Your concern is on the balance which you feel is speculation. Obviously it is if they don't have a tenant, you're not willing, the 485-b is not a problem because they can get that. Let's say the sales tax is 60 percent on the 317 and the balance so we'd have to come up with a number that would be covered under the sales tax exemptions and then the balance for the mortgage tax, what it is on that 317,000 feet and afford it to that amount. If Matrix doesn't like that, you have another option, that is to build a 317,000 feet, don't build the other portion until the time comes when you do have a tenant then you can come back if the town board likes it at that time come back to the IDA for the 10 year PILOT, sales tax and mortgage tax. So that's an idea that you can make up yourself, I can't tell you what to do there, only you know whether or not that the benefit is that paramount that you have to have it or really doesn't matter on the balance, you're going to do it anyway, that's up to you. But we're probably going to end up prorating it. I can see sitting here with the

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board they seem to be nodding that's what they want. We only present this to our board, our board will make a decision on what they think is best. In many cases, they don't want to go against the local municipality so, therefore, I'm suggesting that you'd be going to go one of the two ways, don't build it, build what you need or build it under those conditions that we're going to afford only the abatement sales tax and mortgage tax on the 317. That's exactly what you're talking about, right?

SUPERVISOR PIAQUADIO: That pretty much sums it up. It is a little unusual how the tenants are warranting the PILOT.

MR. PETRO: The tenant, we've done retail where we had all the leases, make sure in the leases it was stated they'd benefit from the abatement to the owner and/or landlord. You're a hundred percent right, our board can come with the idea, we have to make sure that it's a pass-thru to the tenants, we're trying to attract the tenants in the building, not trying to let them charge a full amount of tax and they're making the difference between the abatement, we

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2 keep an eye on that. Alright, at this time, I'm
3 going to open it up to the public hearing for
4 comments, you can come up stand here and state
5 your name, your affiliation and your concern.
6 Marybeth?

7 MS. GREEN: No, not Marybeth, but it's such
8 a compliment since she's a lot younger than I am.
9 I'm Elizabeth Green, I'm a member of the town
10 board here and as a board, we don't always agree,
11 we try to work it out then. But I'm in a little
12 bit of disagreement with my supervisor. I have
13 no problem with the sales tax but I really don't
14 want to forgive the mortgage tax. And I just
15 want to go on record for that in the beginning I
16 really want to collect my mortgage tax.

17 MR. PETRO: That's on the entire project is
18 what you're saying?

19 MS. GREEN: Even prorated I'd like my
20 mortgage tax, my taxpayers deserve it.

21 MR. PETRO: Alright, that will be in the
22 minutes and our board members will read that and
23 they'll have to do what they think is best.

24 MS. GREEN: Well, as a board discuss it too.

25 MR. PETRO: Especially when you're getting

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2 two different opinions from the same board but
3 we'll review it and take a look at it and go
4 forward. Anybody else want to make a comment?

5 MR. STODDARD: Matthew Stoddard with the
6 Iron Workers. Just wondering if the developer is
7 going to make any commitment to local union
8 labor?

9 MR. PETRO: I've brought it up a number of
10 times, they're well aware that the IDA does have
11 a labor policy in place, talked with them a
12 number of times. I think they, I don't know
13 about what, you use the word union, we have to
14 stick with local labor. They seem to not have an
15 issue with that. Of course we haven't done it
16 yet. I'd suggest strongly you have a number of
17 men here that represent different portions of the
18 labor and/or local labor that you talk with them,
19 get a PLA, it would be great, our policy is
20 25 percent local. There are some exceptions that
21 you, that we would recognize, if you had a
22 specialty use and we're not, nobody's looking to
23 hamstring you with something that can't be done
24 here but we're really trying to make a real hard
25 effort to stick with the local labor. And

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2 frankly, so far we've been doing pretty good. I
3 think so. If you can, even after the meeting,
4 I'll be here, I'll introduce you to the people I
5 know and you can maybe start making some inroads
6 because it seems like you're moving along. Are
7 you through the planning board yet?

8 MR. HANS: We're not, application is going
9 in this month.

10 MR. PETRO: Alright, so you have time.
11 You're really looking at '16 for probably
12 breaking ground, correct? Fifteen is getting
13 kind of tight now so '16, so you have plenty of
14 time to talk with the local labor. And again,
15 you notice I keep saying local labor, not
16 necessarily prevailing wage or union labor but we
17 do really like to make things work out with them,
18 they have a pretty good reputation in this area.
19 Bob, anything or Tom, anybody?

20 MR. WILLIAMS: David Williams with the
21 Bricklayers. You said with such an automated
22 system inside the building you're going to be
23 employing a 120 employees. Where will the
24 employees, what kind of jobs will they be, what
25 kind of pay are you looking at for them, things

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2 along that nature?

3 MR. KLINE: They're warehouse workers,
4 they're supervisors, they're some logistics
5 people and some management, very little
6 management, mostly on the warehouse workers'
7 side. The operation is one that there's two
8 different kinds of operations, one is a hand pick
9 where like in a space age thing where they have a
10 computer on their wrist and they're picking the
11 project. And then the A frame, an A frame is an
12 automatic dispensing unit that could be 100 feet
13 long that drops stuff into totes and sends it
14 through. So it really is a combination of
15 warehouse workers, that's the majority, a little
16 bit logistics people, a little bit of leadership
17 for the actual operation.

18 MR. WILLIAMS: Where do you see the pay
19 wages being?

20 MR. KLINE: I think--

21 MR. WILLIAMS: Minimum maximum they're
22 going to be higher?

23 MR. KLINE: I think the low is like 57,5 and
24 the high is 150, something like that, it's all in
25 that range 37,5.

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2 SUPERVISOR PIAQUADIO: My question for the
3 developer, again Gil Piaquadio, you're not
4 closing another facility and laying people off to
5 come here and hire new, are you?

6 MR. WILLIAMS: No, this is in addition to
7 our operation.

8 SUPERVISOR PIAQUADIO: Just wanted to make
9 that clear. Thank you.

10 MR. PETRO: Anybody else?

11 MS. MAY: Margo May from the Newburgh
12 Enlarged City School District. I just wanted to
13 make sure that the school district will receive
14 its proportion of taxes to the same extent that
15 it would normally receive it, that it's not going
16 to go to something other than that?

17 MR. PETRO: No, obviously whatever's yours
18 that we looked at, land, you're getting paid on
19 the land now, we never, ever go backwards, the
20 IDA under the state statute that we work under it
21 cannot abate land taxes.

22 MS. MAY: That's not what I'm talking about.
23 With the PILOT agreements the school district
24 will receive the percentages that they'd normally
25 receive if you're taking the town and school

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2 taxes, what are we like 60 or 70 percent?

3 MR. PETRO: Yeah, whatever you are, yes,
4 it's, that's how it works, yes.

5 MS. MAY: Thank you.

6 MR. PETRO: And special district charges
7 also are not abated so they continue. Yes, sir?

8 MR. MANLEY: James Manley, I'm a resident of
9 the Town of Newburgh. I also have a business,
10 small business located in the town. I'm not
11 against development, I do look at fairness with
12 respect to development that comes in with respect
13 to taxes, to existing businesses and existing
14 residences and commercial properties that are
15 already here and I find that, you know, we've got
16 tons of other warehouses in the town that are
17 paying a higher rate in taxes and they've been
18 here for a very, very long period of time. And
19 there's a fairness issue and there has to be a
20 balance between the fairness of the existing
21 business that's here and the bringing in of new
22 business. And I'll make a quick example. You
23 have the Newburgh Mall, the Newburgh Mall is a
24 very old mall that's been here since the '80s and
25 we all know it's struggling, been through

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bankruptcy and we have the Marketplace that's coming in, not opposed to the Marketplace being built but the IDA at one point was considering giving them IDA status, they have since from what I believe backed away from that. But that would have been completely unfair to the Newburgh Mall who's struggling and here you're going to build and give them IDA status with benefits to the developer. Really doesn't benefit the town. Yes, we're going to have more jobs and that's great, but at what cost to the other businesses and developments that are presently here? I think at a huge cost with that particular example. So what ends up happening is the Newburgh Mall goes out of business, now you have the, you have a vacant structure, now you're not collecting taxes on that which compounds the problem that we have here in the Town of Newburgh and you're losing school taxes on the Newburgh Mall because now all of a sudden you're going to have a situation where they're not going to be able to pay their taxes so that fairness and that equality factor needs to be there. Now the Marketplace hasn't left, they're still coming,

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the Loop is going to be here. They're not receiving a break on their taxes. But had, you know, the town, you know, capitulated and said yes, let's vote to give IDA status, potentially the town would have lost all that revenue. We have fire taxes that have to be paid, we've got police protection, we've got ambulance.

MR. PETRO: Remember specialty district charges are never abated at all, they all get paid in full no matter and the Loop is receiving a 485-be which is put out by the state. It's a 27.5 percent savings that's also with this portion of the warehouse, as you say warehouse, we're not suggesting that, we're not doing that, it's not getting any IDA status, just using it as a pass-thru. They can get that with a one page form in the assessor's office, it's one page, fill it out and it's 485-be, we're just doing the equivalent of the 485-be, which is put out by the state, not the Orange County IDA. Part of your--

MR. MANLEY: I can pull other examples, we've got the autopark, there's another example of you've got other car dealerships in the Town of Newburgh, you want to, they wanted to build a

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2 new Cadillac dealership and give them IDA status,
3 how is that fair to Colandrea, how is that fair
4 to the Sunshine Ford?

5 MR. PETRO: I can say how is it fair to me?
6 I pay a lot of taxes in Orange County. They
7 don't build it, now you don't have a \$10 million
8 facility, you've got nothing.

9 MR. MANLEY: Do you live in Newburgh?

10 MR. PETRO: No, I live in New Windsor.
11 Let's stay on this subject.

12 MR. MANLEY: I'm giving you examples that I
13 think are germane.

14 MR. PETRO: They're by law with the 485-b on
15 the portion of the property they're building
16 their warehouse and the IDA, you're right the IDA
17 does not recognize warehousing or storage
18 facility as something we'd give an abatement to.

19 MR. MANLEY: I'll give you another example,
20 Hilton Garden, okay, a hotel in the Town of
21 Newburgh had IDA status, okay, the gentleman had
22 the ability to sell that, he sells it, losses
23 IDA, no longer has IDA, now it's off the tax
24 rolls. We're losing property in the town, we're
25 losing rateables and in my opinion the IDA isn't

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2 always helping the Town of Newburgh and, you
3 know, the IDA hasn't helped my business, you
4 know, I still have to pay the taxes on my house
5 in the Town of Newburgh and my business to the
6 tune of 15 to \$20,000 a year, nobody's helping
7 me.

8 MR. PETRO: How do you want to go further
9 with this project?

10 MR. MANLEY: As it stands with this
11 particular project, I oppose, if the company
12 wants to come in and build, let them on the
13 building then give them IDA status. But here
14 we're going to have somebody that may or may not
15 be here after 10 years, we're going to have a
16 vacant building and we're going to lose a ratable
17 in the Town of Newburgh. It's going to happen
18 even with Orange County Choppers, we're going to
19 end up losing that, that's an IDA issue that the
20 town ended up getting and we're going to lose it
21 eventually, I guarantee that's going to be gone.

22 MR. PETRO: If we took away the 10 year
23 PILOT for this particular company and they said
24 well then I don't think we're going to build it,
25 that would be better for you?

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2 MR. MANLEY: In my opinion at this point
3 yes.

4 MR. PETRO: You'd rather not have them at
5 all than give them an abatement?

6 MR. MANLEY: If they want to build in the
7 Town of Newburgh, let them pay.

8 MR. PETRO: I think and I'd hope that you're
9 in the minority there. I think that we have to
10 try to entice companies to come here and that's
11 what we do. And I think we're doing a very good
12 job of it. Obviously, you disagree with that
13 assessment, but at this time they have a right to
14 ask the IDA to review it and the 485-be portion
15 of it that's just a given and we have to move
16 forward. I can't promise, listen, everything you
17 just said will be in the minutes, our board
18 members are going to read it thoroughly before we
19 take any action. I appreciate you coming out and
20 voicing an opinion.

21 MR. MANLEY: Well, and I appreciate you
22 listening to that opinion, although I understand
23 you don't share my opinion. But I guarantee you
24 that the residents of the Town of Newburgh if
25 they really looked at this as a whole and looked

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2 at what it was, what it was that the Town of
3 Newburgh was getting, okay, and looked at the
4 long term, not the short term that they're going
5 to get, I think that you're looking at that, it's
6 five pounds in a 10 pound, or 10 pounds in a five
7 pound bag what we're getting.

8 MR. GANDOLFINI: Tom Gandolfini with the
9 Plumbers and Steamfitters. I just had a question
10 on the local labor policy, is that going to apply
11 to the developer and the tenant?

12 MR. PETRO: Definitely, yes.

13 MR. GANDOLFINI: So it will be on both
14 portions when they're doing the fit out that will
15 apply the 85 percent of local?

16 MR. PETRO: On the interior of the building
17 you're talking about?

18 MR. GANDOLFINI: Yes.

19 MR. PETRO: Yes.

20 MR. GANDOLFINI: Okay, thank you.

21 MR. PETRO: Anybody else? Animal?

22 MR. HUGHES: Animal Hughes with the Orange
23 County Planning Federation. I'm the Chairman of
24 the Education Committee there presently, former
25 president. Like you said earlier in this

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conversation today, he's automatically entitled to the 485-be, let it be, this is not designed to accommodate the needs of the tenant, this is designed to create jobs and to help developer builders to enjoy these abatements. So we can continue on in an orderly fashion, I have some questions. Will the total buildout be taxed upon the value of the land and the building and the contents or are we just doing the footprint and the land and thereby missing all of that equipment and all of that modern technology that replaces jobs that will never be replaced and the 120 people that are the monkeys in the cage pulling the product will never get anywhere? So I have a question, the assessor's in the room right now, I don't mean to put him on the spot, I'd like to know if we're going to tax the contents of the building, the building and the land in its entirety in the big picture and get some money generated that way? I'll go back to the original part 485-b is certainly more than enough incentive if they've got the money to put up that kind of a building and outfit it with those kinds of systems inside, they certainly

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don't need me to pay more on my taxes to help them to go into the business. I agree with my colleague, Mr. Manley, this is out of order and it's not designed to work that way, this is not for tenants, for owner developers where we have a direct link where we can have a better control of who's going to be in and out of the building. I also agree with these other gentlemen in the room about local labor, if without all the bells and whistles to be assured we're going to be guaranteed with the shot at the labor and the 485-b and all the other stuff. And I will allow the assessor to put in his comment at this point if he has one and was listening to what I had to say. I urge you to consider the 485-be and forget about all the other abatements. If you're going to try something else, get the money up front and reduce the taxes that go along so we have our money up front if the tenant disappears we've hedged our bet and received the amount of money in the beginning without diminishing it into nowhere. If that tenant's in there four or five years and they decide to leave, where are we?

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2 MR. PETRO: I want to call on the assessor,
3 he's asking you how are going to assess this
4 building? Obviously, it's the land, the
5 improvements and what is inside that you'd also
6 assess.

7 MR. VENEZIA: Before I answer that, I have a
8 question. I don't believe you addressed the
9 school person's question how much is the school
10 going to be getting? Are they going to be
11 getting any taxes or benefits from the IDA when
12 they build the building?

13 MR. PETRO: The PILOT is broken up in the
14 same manner as your assessment is on, if he had
15 nothing, your assessment is such. And let's say
16 it's 72 percent goes to the school and you have
17 26 percent to the town and four percent to the
18 county, whatever that breakdown is that's how the
19 PILOT is also broken down.

20 MR. VENEZIA: Just to clarify, that's not
21 just on the existing value for the land, it's
22 also for the building?

23 MR. PETRO: That's correct, on the
24 improvements.

25 MR. VENEZIA: Thank you for clarifying that.

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Basically to answer your question, an assessment is based on industrial, commercial or warehouse, the assessment is set based on the tenant coming in and renting it so that's income or future income to the property. The building is building on taxable land and that's taxable. The inside is usually mostly personal property. Because when the tenant leaves, he takes his personal property with him. That's, people have different views on different things.

MR. PETRO: Sometimes they would be, let's say you put a turbine in, it's part of the structure, it's part of the function of the building, you may or may not on certain items, machineries.

MR. VENEZIA: We're not talking about turbine, we're talking about the bells and whistles that go with this particular property, like the conveyer belts, I believe is personal property, all the cages that contain the medicine to me that's personal property.

MR. PETRO: Well, I think you might hit the nail on the head, you're the assessor and you have to make that judgment, some people would

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2 agree, others disagree, depending on where you
3 are as to what extent you would assess some of
4 those items.

5 MR. VENEZIA: Well, the problem comes in is
6 you could assess it for any amount you want so I
7 could put \$10 million, they go to court and say
8 Your Honor, this building can rent for \$6 a
9 square foot because it's a warehouse, \$6 times
10 317,000 square feet you take out the expenses to
11 the building you come up with instead of \$50
12 million you come up with 10 million, court is
13 going to grant 10 million. You have to pay all
14 the taxes back so you can put any value you want
15 basically on the rental that the property's going
16 to generate, you cannot basically do it on what
17 the cost is. The cost is always the highest
18 value you could attribute to a property.

19 MR. PETRO: Alright, thank you.

20 MR. HUGHES: Thank you for answering that
21 question. Based upon that where the tax can't go
22 to the equipment and I think that you'd find
23 somebody with a certiorari lawsuit with a
24 powerhouse, they can deduct the contents, they're
25 being taxed on the footprint of the building and

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the land only. This happened under George Pataki's administration about 12 years ago across the country, they can deduct the contents of the building, that's where we used to get our revenue and money, we had a billed assessment in the Town of Newburgh, now we have nothing, this looks like we're going further and doing the same kind of a thing. I agree with Mr. Manley, there's enough stuff around here we can look at that can be refurbished or retrofitted to accommodate this need. If it's going to be a brand new building, give them the 485-b, 485-b they're entitled to automatically and no tax abatement, if they can afford to do this project, I can't afford to help him and any other taxpayers.

MR. MANLEY: James Manley. I just want to add one thing, I agree with Mr. Hughes with respect to we need some assurances with respect to local labor, I think that, you know, that's something that, you know, if this is going to be built and like Mr. Hughes says, we do the 484-b that's all we do, let's make sure that our local labor is going to get taken care of, this money stays here in the Town of Newburgh.

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2 MR. PETRO: That's why we have the labor
3 policy in place.

4 MR. MANLEY: I'm not the only one as you
5 indicated before or one of the few in the
6 minority, there's another gentleman here that
7 shares that view, it seems like my own town,
8 within the town I live in has some issues and
9 questions with respect to the granting of the
10 PILOT. There's at least two board members here
11 that shared similar concerns that I have and one
12 had to do with the mortgage tax. So, I mean, I
13 would agree with Mrs. Green, that's definitely a
14 concern, we're losing probably hundreds of
15 thousands of dollars in mortgage tax that would
16 come back to the town. Thank you.

17 MR. PETRO: Anybody else different subject
18 of something that hasn't been talked about?

19 SUPERVISOR PIAQUADIO: Just two things real
20 quick. One is it's a pharmaceutical company but
21 sounds more and more like a warehouse. Is there
22 a process there?

23 MR. KLINE: It's not processed there, it's a
24 distribution center so we don't qualify as
25 warehouse, just because of the automation we're

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2 putting into it so there's nothing processed
3 there.

4 SUPERVISOR PIAQUADIO: Okay, but I think
5 number two that you're going to need a resolution
6 from our board which hopefully you'll look at.
7 I'm going to have to discuss it with the board
8 again but I really need to know where we're at
9 when I discuss that if it's mortgage tax just on
10 the percentage where the lessee is going but
11 we're going to have to look at that.

12 MR. PETRO: Let me ask you while you're here
13 I'll ask the applicant, how do you feel about
14 that portion? In other words, I really should be
15 talking to you because you're the one that, what
16 the supervisor is asking for and Elizabeth that
17 we only do the sales tax or mortgage tax rather
18 sales tax from you and mortgage tax from
19 Elizabeth, councilperson from the Town of New
20 Windsor or Newburgh on the portion that's being
21 leased out and not on the entire portion?

22 MR. HANS: Yeah, if I can answer that maybe
23 I'll answer directly but want to give more
24 background because there's been a lot of things
25 said here that for people that are not in the

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distribution center business may not fully understand. And so first thing is the first standard structure of distribution center lease is that the tenant is paying the real estate taxes. So the enhancement program it's a program that benefits the tenant and attracts them here, we're not competing against Orange County necessarily, but competing, it's a very wide geographic area, Pennsylvania, New Jersey other locations. A lot of those locations are already starting from a lower tax base so Pennsylvania, every building that's coming out of Pennsylvania has what's called a LERTA, which is equivalent to the enhanced program here, every single one of them has it, if we don't, if it's going to help us to do business here and then it goes in Pennsylvania, they've owned this property for eight years, we would have loved to have built a building on this sooner. The fact of the matter is we had not been able to attract a build to suit tenant until this point in time.

AmerisourceBergen is somewhat the exception because they're forward looking enough that they were able to identify a need for distribution

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space and get a building built for their purposes. Most companies today are not looking that far forward, that's why the speculative construction has been more prevalent in New Jersey, Pennsylvania is that companies are making shorter decision timeframes and they can't wait for a building to go through approvals, be built, it has to be ready. And those buildings, you know, so that's why all this stuff has to be up front. What we're trying to do here, this property is one of the best properties in the Town of Newburgh from a commercial standpoint, it's generating just over \$100,000 a year of tax revenue because it's undeveloped. We're trying to develop it. We, fortunately, we wish AmerisourceBergen at this point in time had a need for the whole building, we'd love to build it all for them and then sounds like that would satisfy some of your concerns. But the most difficult part of the project for us the developer is the part that's unleased, we're committing over \$20 million, an investment in the Town of Newburgh, to put a building up that we believe is going to attract a tenant to the

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2 location. If we don't make that investment,
3 they're not going to go local here, they're going
4 to go somewhere else and we're still going to be
5 looking at an underperforming land ratable. So
6 the programs are very valuable to help a project
7 like this get off the ground.

8 MR. PETRO: You're being offered them in
9 other areas, Pennsylvania, New Jersey, it's all
10 over the place?

11 MR. HANS: Absolutely. And importantly, if
12 no state offered any programs whatsoever the
13 relative tax rate to the towns we're competing
14 against in Pennsylvania are less than half of
15 what we'd be dealing with here. So they're
16 already starting from a higher standpoint and
17 they're incentivising the companies to, by giving
18 them a LERTA, which is a 10 year program which is
19 basically the same as the 10 year program here,
20 that's the economic reality we've been competing
21 against, why the site hasn't been developed
22 sooner. So we have a chance here to take, you
23 know, one of the prime sites in town right at the
24 intersection of two interstate highways separated
25 from, surrounded by commercial separated from

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residents and create, and although, although certainly PILOT provides an enhancement to the tenant which is why they're locating here versus a different location from a township standpoint the project gets built after the first year when the PILOT starts phasing in, the phase in part alone is 200 percent higher than the current taxes that are being paid on the property that happens every year after that. So again we've been here eight years undeveloped paying minimal taxes, we're trying to invest our money for a facility that AmerisourceBergen will come in, grow within and prosper but also we'll have a space in the back that they could expand into or someone else can locate here versus leaving that undeveloped which is doing nobody any good, that's the inventory that everyone is building in other locations that's attracting tenants. That does not exist currently in Orange County, there's no spot for a 250,000 square foot distribution center could go to in Orange County that on a short delivery basis which is what we'll provide by bringing this through the approval process and building it in advance of

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signing a tenant. So I would argue that the portion of the building is unleased, the incentives are even more important for that portion of the building because that's the higher risk portion of the space at this point. I'm trying to think if there's anything else in here. One other point I wanted to address on what's happening in the distribution facility, correct me if I'm wrong, approximately within this facility there's more than just distribution space, there's AmerisourceBergen's portion of the space, there's about a 20,000 square foot office section within the building. If you think about a standalone 20,000 square foot office building, it's a pretty sizable employer, good jobs facility, it's dwarfed by the size of the building but that's common, these are distribution centers. But within them they have support usually in the form of office, sometimes R & D, so they shouldn't all be just classified generically as we have a little bit here in this meeting.

MR. PETRO: Two things, one this would be a triple net lease, I assume?

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2. MR. HANS: Yes.

3. MR. PETRO: Gil, that answers that, they'll
4. be paying direct the taxes so it's really from
5. the developer, the tenant pays the tax so if the
6. tax is lower because of the PILOT obviously
7. that's what they pay. You're not going to tack
8. on what it could have been, surcharge of any kind
9. to the tax?

10. MR. HANS: Right, this product type that's
11. the way all leases are done.

12. MR. PETRO: We look at that number, it's
13. very important I think on the extra space that
14. you're building which we call shovel ready,
15. that's really shovel ready, it's existing and we
16. have an extreme shortage of that in Orange
17. County. Maureen Halahan, Orange County
18. Partnership is constantly saying we need more
19. shovel ready space, they can probably rent it,
20. you build it and they'll come, I believe in that
21. myself and I think it's very important that
22. you're building the extra space because I think
23. you're going to rent it up probably in no time if
24. it's ready and ready to go.

25. MR. HANS: That's important, you're correct,

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2 it has not been happening in Orange County.

3 We're looking to do that right now and it's going
4 to be closely watched by other landowners and
5 developers if this project is a success then
6 you'll see more speculative development come to
7 Orange County.

8 MR. PETRO: I had originally a few years ago
9 I, when I was chairman of the IDA, you're going
10 to love this, Mr. Manley, I had come up with a
11 program for no taxes for three years on anybody
12 who wants to build spec space in Orange County,
13 you have to remember that was in '09 and '10,
14 things were really pretty bad, even the guys
15 weren't working, to try to get somebody to build
16 something. And I think normally when it's up,
17 people do come if it's new, really good space and
18 correct, we do have space around that's existing
19 and maybe not, it's not certainly new prime space
20 in the right areas but I think shovel ready space
21 is a very, very good plus for us.

22 MS. GREEN: A question to follow up a
23 statement you made that the tenant would be
24 paying the tax bills, that could come in if you
25 build the whole large that you're going to have

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2 an area that would be vacant for whether it be
3 six months or two years till you got the right
4 tenant in there. How would that work out? Cause
5 in fairness, it wouldn't be to their advantage to
6 pay for the whole building if they're not using
7 the whole building. How is your breakdown done?

8 MR. HANS: So the way this works is when you
9 take a building and you have two tenants in the
10 building, the tax bill is in the name of the
11 owner, we're the owner of the building, we'll get
12 the tax bill, AmerisourceBergen's lease says
13 they're responsible for their share of the real
14 estate tax bill.

15 MS. GREEN: You'd apportion it out even
16 though it's one tax bill?

17 MR. HANS: The speculative portion while
18 it's vacant, yes, we'd be paying the taxes on the
19 vacant portion once the tenant moves in, so the
20 building is full then 100 percent of the tax bill
21 will be paid by the tenants, although it will be
22 the landlord will be cutting the check. But this
23 is, and this is transparent too, sounds like
24 you've reviewed the lease, you'll review the next
25 lease as well, it's clearly stated in there,

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2 there's no, it's not a profit center from a
3 landlord standpoint, not a markup, just a way to
4 get the taxes paid officially.

5 MR. PETRO: They're just a conduit.

6 MS. GREEN: I'm 28 years the previous tax
7 collector, that's where my brain goes to the
8 bills.

9 MR. HANS: Practically speaking, when your
10 building is full, your tenants are making 100
11 percent of the taxes, when it's not full, taxes
12 are still due so the owner's paying.

13 MR. PETRO: Landlord is just a conduit to
14 collect the tax.

15 MS. GREEN: In essence, the bill is going to
16 be in your name and you're going to collect your,
17 apportion it out as to how much you're going to
18 collect from your, from the tenants?

19 MR. HANS: Initially, yes, if, let's take if
20 AmerisourceBergen expands to the whole facility,
21 it's not uncommon for the bills to come to them
22 directly and them to pay it.

23 SUPERVISOR PIAQUADIO: Just one last thing
24 and again, maybe it's good our board doesn't
25 always agree cause we hash things out. To me

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2 right now because you're going to build a huge
3 warehouse, you've got one tenant that seems to
4 qualify that all the speculation should also be
5 under the PILOT, that ain't going to happen as
6 far as I'm concerned, too many other warehouses
7 sitting in this town that are empty paying their
8 taxes. That's my point.

9 MR. HANS: And I think that's consistent
10 with what we talked about here today. I'll say
11 when the project is built and we're marketing it,
12 we would expect that whether it's
13 AmerisourceBergen or another company hopefully of
14 similar stature that to sign the lease with them
15 we're going to have to have the same programs for
16 them. So I do expect we'll be back here and but
17 obviously, you'll have the chance to determine
18 whether that qualifies or not.

19 MR. PETRO: I think we're in agreement.

20 SUPERVISOR PIAQUADIO: I thought I heard
21 shovel ready.

22 MR. PETRO: It is but it's still the 485-be.

23 SUPERVISOR PIAQUADIO: I ain't got a problem
24 with that.

25 MR. PETRO: I was thinking more along the

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2 mortgage tax but Elizabeth's against that and you
3 have the sales tax on the 485-be, the 40 percent,
4 that's the balance, that was my question, how do
5 you want to address that? We can do it right now
6 for a couple minutes, you can certainly think
7 about it.

8 MR. HANS: No, I mean, there's no reason to
9 think about it, the incentives are key to the
10 project being developed, 565,000 square foot
11 building.

12 MR. PETRO: So they're telling us again that
13 without the incentives you may not because you
14 can't make the playing field here equal to other
15 areas.

16 MR. HANS: I understand the payback on these
17 incentives is relatively short, again, if this
18 building was just built at 317,000 square feet
19 we'd be in the same position we're in right now
20 trying to compete for tenants for a portion of
21 the building that's unbuilt, we would have to
22 have a tenant that's again looking well into the
23 future for a project to be built for them. The
24 fact of the matter is that's not how companies
25 are making moves right now with that same set of

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circumstances, they're going to Pennsylvania, they're going to New Jersey. They're not locating here. And again, we would have a portion of this site that from our standpoint is underperforming from your standpoint it's not serving you as well either.

MR. PETRO: Quickly on the mortgage tax abatement on the 40 percent that's not, these gentlemen are not taking, it's approximately \$8,500 would be the town's portion of the mortgage tax approximately, I don't want to be right to the penny. But that's what we're talking here on that portion the sales tax on that would be much higher because you're talking about 40 percent of the project cost, yeah, and that would be more. So we'll look at that, I think what we need to do is have our board get me something in writing about your concerns, I think the PILOT is not an issue, just the balance of the two that we need to talk about for Betty and for you, each have one, a different one then our board needs to look all it, we don't want to lose this project.

SUPERVISOR PIAQUADIO: Sometimes I don't

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2 hear good, is the developer saying we're okay if
3 you give us a PILOT, we're a pharmaceutical, are
4 you saying you've got to have it on everything?

5 MR. HANS: When we started, certainly our
6 hope was to get everything, we understand the
7 concerns and we understand that's not the way
8 that it's going to go. But should also I guess
9 be clear to everyone else that when, so the
10 project would go forward with enhanced PILOT with
11 AmerisourceBergen and regular program on the
12 balance of the building but it's our expectation
13 to fill the rest of the building to bring that
14 tenant in there which at that point we're going
15 to be heavily invested in the project that to
16 attract them we're going to need the enhanced
17 program so we expect we'll be back here at some
18 point. But at that point, the company will be
19 known, you'll know how many jobs they're
20 bringing, you'll know whether they're desirable
21 and you'll be able to make a decision.

22 SUPERVISOR PIAQUADIO: You might get someone
23 that says that's great, warehouse, you won't rent
24 it to him if he's--

25 MR. HANS: I don't think that's the profile

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that's going to come here because first of all that company's probably not going to pay the rent that's going to be justified for the construction costs of the project. There's so many things that go into it, that's why we're fairly confident that even more than fairly confident that ultimate tenant for the back portion of the building is somebody you and I are going to be happy with because the type of building that we're building is not going to attract, I think what your fear is, you know, kind of a down and dirty operator, maybe short term tenancy product type that might be undesirable in some way. That's not the profile of the company that's going to pay the rent. We're going to need to construct the building, it's not the spec that we're building to, those companies would not meet those specs.

MR. PETRO: I can tell you now when this thing is built and it's up you're going to have a very heavy lift I think with the town to come back and say you now need the 10 year PILOT, it's already existing, you're here, obviously we're not enticing you to come here, it's up, it's

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2 built, maybe we would be retaining you here but
3 it's built, you're not going to take it down.

4 MR. HANS: Tenant would not be here.

5 MR. PETRO: But I think you'd really have to
6 have a great tenant and you're going to have to
7 talk to Gil and the town board that they're going
8 to really be excited about the tenant and say,
9 you know, maybe you have a shot at this so
10 they'll consider it. But I think just a ho-hum
11 deal I just in my opinion, stop me if I'm wrong,
12 Gil, you're not going to be too excited about a
13 year and a half from now changing the 485-b to a
14 10 year PILOT when the building's already up.

15 SUPERVISOR PIAQUADIO: Very true.

16 MR. PETRO: I think I'm just giving you a
17 heads up that we'd have to unless Microsoft's
18 moving in, they're going to give everybody
19 200,000 a year and everybody's singing songs that
20 would be different.

21 MR. HANS: We understand but by taking their
22 approach what you're saying is that we would like
23 you to invest \$20 million plus in our township to
24 put up a facility that we know that for you to
25 find a tenant to lease it from you that tenant's

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2 going to have to be paying a lot more than they
3 would if they went to another location.

4 MR. PETRO: We've gone over that enough.
5 Anybody on a different subject of something we
6 haven't covered? Alright, at this time, I'm
7 going to close the public hearing, I'll open it
8 back to the board here or obviously if any of the
9 board members want to add anything. I think
10 we've heard a lot, we have a good feeling for
11 what you want. I think it's very important
12 because there are so, so many other areas--public
13 hearing's closed now, Mr. Hughes--that I think
14 it's important that we understand that we do want
15 to attract business to Orange County, there's no
16 question about that. And to be competitive in a
17 state that's 50 out of 50 for business friendly,
18 we have to offer some of these incentives. I go
19 back to Mediacom, without the 15 year PILOT there
20 there was no way in the world they were coming
21 in. Now you have a beautiful \$40 million
22 building, the multiplier has to be huge every day
23 and it's very important to offer these incentives
24 and we're trying to be more careful on what we
25 offer. As you've noticed, we're not everything,

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the PILOT on the balance of the space, first of all, we don't do warehousing, we don't know what the space is so by state law, we're just doing the 485-be, we never even disputed that, Gil, so that was I think right from the start we were on the same page. But it's not an easy thing, constant criticism on everything that we do that they're coming anymore, you're giving away the farm, you're doing this and you're doing that and so many times without it I think we would have nothing. So we're paying attention and trying to do the right thing. Anybody else? Go ahead.

MR. HUGHES: I'd like to say something, I was going to urge you to keep the public hearing open because there's some unknowns that haven't been ironed out.

MR. PETRO: Go ahead, I'm listening.

MR. HUGHES: You arbitrarily chose to close it. I suggest in good taste and for the future for the benefit of everybody here in the room that you keep the public hearing open so when they come back with a more formal approach we can make comment. Let's not slam the door in people's faces, you either have meetings at 10 in

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the morning or one in the afternoon when everybody's at work, where the general public can't come out and tell you what's really on their mind. Everybody in this room except myself is from a labor union or from the group that's representing the project or a public official so thereby you need to stop blocking out the public from getting here and saying what's on their mind, use your head and organize the meetings at night so people can come out. I know you like to keep a stacked deck but stop it.

MR. PETRO: That's enough, Mr. Hughes.

MR. HUGHES: Thank you.

MR. PETRO: Thank you for coming, goodbye everyone.

(Proceedings concluded at 2:00 p.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

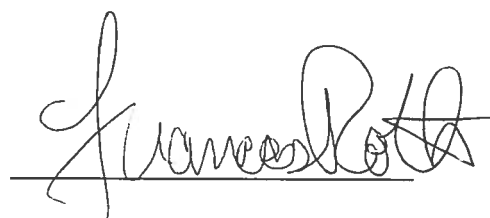
13 That I am not related to any of the parties involved in
14 this matter, and that I have no personal interest
15 whatsoever in the outcome thereof.

16

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19

A handwritten signature in cursive script, reading "Frances Roth", written over a horizontal line.

FRANCES ROTH

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