

ORIGINAL

2 ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
3 STATE OF NEW YORK

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4 In The Matter of

5 RE: CPG PARTNERS, L.P.

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6 Woodbury Town Hall
7 511 Route 32
8 Highland Mills, New York
9 July 16, 2013
10 10:10 a.m.

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13 B E F O R E: ROBERT T. ARMISTEAD
14 ORANGE COUNTY IDA

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

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

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2 MR. ARMISTEAD: Good morning, everyone,
3 would you please stand for the Pledge of
4 Allegiance?

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

6 MR. ARMISTEAD: Again, good morning, I'm
7 Robert Armistead, Chairman of the Orange County
8 Industrial Development Agency. To my left is
9 Kevin Dowd, the Orange County IDA attorney and
10 Fran, our reporter for the public hearing today
11 to discuss the CPG Partners project, Woodbury
12 Commons. And I would ask the IDA attorney, Mr.
13 Dowd, to read the Notice of Public Hearing.

14 MR. DOWD: Thank you, Mr. Chairman. Notice
15 is hereby given that a public hearing pursuant to
16 Article 18-A of the New York General Municipal
17 Law will be held by the Orange County Industrial
18 Development Agency on Tuesday, July 16, 2013, at
19 10:00 a.m. local time, at the Woodbury Town Hall,
20 511 Route 32, Highland Mills, New York 10930, in
21 connection with the following matter: CPG
22 Partners, L.P., a limited partnership, for itself
23 or on behalf of an entity formed or to be formed
24 has submitted an application to the Agency
25 requesting the Agency's assistance with respect

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to a certain project consisting of: (i) if necessary, the acquisition by the Agency of a leasehold or other interest in certain parcels of land aggregating approximately 149.2 acres located at the junction of NY Thruway Exit 16 and NYS Route 32 in the Village of Woodbury, Orange County, New York at the Woodbury Common Premium Outlets having an address of 498 Red Apple Court, Central Valley, Orange County, New York and the approximately 852,728 gross leasable square foot open air outlet mall facility located thereon, together with supportive restaurants, court yards, kiosks, landscaping and parking, (ii) the renovation and expansion of the Original Facility, including but not limited to the following: (A) renovation to the facade and roof, (B) new landscaping, (C) new hardscape for walkways and common pedestrian areas, (D) new seating areas and site amenities, (E) the rehabilitation of existing bathrooms and the construction of new restrooms, (F) the construction of a new main entrance and an approximately 50,000 square foot new main tower building, (G) the relocation and reconstruction

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of the food court within the main tower building
(H) the construction of five new retail buildings
aggregating approximately 100,000 square feet,
(I) the expansion of existing retail buildings by
approximately 6,000 square feet, (J) the
construction of new and improved kiosks and
retail merchandising units, (K) the removal and
realignment of certain buildings and
straightening of certain courts and new
pedestrian crosswalks, (L) new signage, (M) the
construction of new pick-up and drop-off
locations for tour buses and public transit bus
traffic, (N) the construction of a new
approximately 5,000 square feet welcome center,
(O) the construction of new maintenance
facilities aggregating approximately 5,000 square
feet, (P) the reconfiguring of existing surface
parking spaces, (Q) the construction of a four
level parking structure containing approximately
2,223 total parking spaces, and (R) various storm
water management improvements, utility upgrades
and infrastructure modifications and (iii) the
acquisition and installation in, on and around
the Original Facility and the Improvements of

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certain items of equipment and other tangible personal property, the Equipment and, collectively with the Original Facility and the Improvements, the Facility. The Agency will 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 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 (i) sales and use tax exemptions, (ii) if necessary, a mortgage recording tax exemption and (iii) if necessary, a real property tax abatement, all consistent with the policies of the Agency. A representative of the Agency will be at the above-stated time and place to present a copy of the Company's Project 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.

MR. ARMISTEAD: Thank you, Kevin. We do have representation from the tenant, the partner

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2 developer I should say and if there's any
3 questions at this time or would the developer
4 like to address the public?

5 MR. D'ARMIMIO: Lou D'Armimio, CPG Partners.

6 MR. ARMISTEAD: If you can speak louder,
7 unfortunately, we don't have a P.A. system, I
8 would address the crowd.

9 MR. D'ARMIMIO: Okay.

10 MR. VILLAPIANO: John Villapiano.

11 MR. D'ARMIMIO: John will address the board.

12 MR. VILLAPIANO: Thank you, Lou. Thank you,
13 Bob. Thank you, Kevin. I'm John Villapiano,
14 Senior Manager of Development CPG Partners which
15 is a subsidiary of Simon Property Group which
16 owns 99 percent stake in CPG Partners. Simon
17 Property Group is a publicly owned company traded
18 on the New York Stock Exchange. Simon currently
19 owns 10 properties in the State of New York and
20 numerous others throughout North America and
21 Asia. Simon is a global leader in retail outlet
22 shopping and the company is committed to long
23 term growth in the outlet retail business.
24 Currently, we have three new outlet projects from
25 the ground up and four expansion and renovation

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projects at existing outlet centers.

Specifically, with Woodbury Common Premium Outlets, the center was originally constructed in 1985, there was one expansion in 1997 which brought the total gross leasable area to 850,000 square feet. Woodbury Common is a major destination retail property in the purest sense of the term. It's easily one of the most visited and successful outlet retail centers in the entire world which attracts over 13 million visitors per year, about 12 million of which are from out of the area. Nearly 40 percent of the shoppers are from New York City, Westchester County, Connecticut and northern New Jersey, another 50 percent or about six and a half million are completely out of area visitors. Twenty percent of these are from domestic locations and the rest are from international destinations or international locations, excuse me. Woodbury Common Premium Outlets is the primary tourist attraction within Orange County and one of the major tourist attractions within the State of New York. Since its opening, Woodbury Common Premium Outlets has never been

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renovated or updated beyond necessary maintenance. The Woodbury Common Premium Outlets renovation projects will provide an opportunity for Woodbury Common to refresh aging buildings and courtyards with the renewed architectural presence throughout the entire site, demolition of specific existing buildings and reconstruction of others will re-allocate an additional 60,000 square feet of gross leasable area throughout the center to bring the overall leasable area to approximately 912,728 square feet. The goal of the project is to significantly upgrade the center, create new retail and restaurant opportunities and options for the customers and greatly improve the overall shopping experience. The renovation project is a significant undertaking given the size of the project and the amount of visitors. Our goal is to minimize disruption and maintain as close to normal operation as possible. This is a long term project that will be completed in phases. We hope to have all the work completed by March of 2016. As read in the resolution, I won't go through it point by point, but there are

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significant renovations throughout the entire site. Most notably, as you can see with this exhibit behind in the left we'll be reconstructing the main tower building and creating a new main entrance boulevard. We will be maintaining the tower building which has become the signature feature of the entire project. All facades and roofs of existing buildings will be renovated to a higher level of finish. There will be new landscaping, new hardscaping, new seating areas and site amenities for the customers, including fountains. All the restrooms will be renovated and new restrooms will be installed. There will be five new retail buildings, expansion of existing retail buildings, new kiosks, new retail merchandising units and a new coordinated sign program. Two other items are pick-up and drop-off locations for tour business and a new welcome center. The architectural program for the entire site will also be completely overhauled. The center will be divided into five areas that coincide with other popular destinations within New York State. We'll have the Hamptons, Adirondacks, Saratoga,

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Niagara and the main central core will be Hudson Valley District. All the hardscape and the landscape and the roofing and the facade renovations will coincide to features consistent with those areas within New York State. The second biggest part of this entire project are the traffic improvements that we plan to make. And we feel that these will go a long way to addressing existing traffic issues along the Route 32 corridor. Throughout the approval process with the Village of Woodbury, traffic has been the primary focus of our consultants on the Village Planning Board and then also the Village Planning Board consultants. The on-site work has been designed to improve traffic flow into, out of and within the center, minimize conflicts between vehicles and pedestrians and increase the parking supply and improve the distribution throughout the site which in the end will make it easier for the customers to find parking. Traffic improvements are to be completed on the perimeter roadway throughout the entire site. Several areas of existing parking will be re-configured to accommodate changes with the

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alignment within the area. The four level parking that will be constructed down at the low point of the property which will really only be visible from the Thruway and from the Thruway Exit 16. The four level parking structure will consist of 2,223 parking spaces with the overall loss of parking the net gain will be 1,017 spaces. There will be an enhanced means of ingress egress off of Route 32. The design will be fully compatible with the future improvements along at the interchange of Route 32 and Route 17 and also the traffic signals along Route 32 will be retimed and improved. Financials for the project, the cost of this project is budgeted at 120 million, 54 million of which are materials, 66 million of which are labor and equipment. We estimate there to be 400 to 500 new construction jobs throughout the long term phase of the project. In the end with the 60,000 square feet of additional leasable area, we're expecting tenants to hire 400 new employees both full and part time to add to the existing 4,500 employees that already work at the center. Currently over \$80 million in sales tax are generated through

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2 existing sales. The new leasable area will
3 result in an additional \$90 million in sales
4 which will net approximately \$5.6 million in new
5 sales tax revenue. There's no doubt that this
6 project will benefit the customers, the tenants,
7 the residents, the Village of Woodbury and Orange
8 County. Simon is proud to make this investment
9 and we're pleased to see the IDA has interest in
10 this project as well.

11 MR. ARMISTEAD: Thank you. Also which is
12 really utilizing local labor and local
13 businesses.

14 MR. VILLAPIANO: Absolutely, yes.

15 MR. ARMISTEAD: Thank you, John. Any
16 questions from the public? Yes? State your name
17 please.

18 MS. POTVIN: Desiree Potvin, I live in
19 Highland Mills. I just have a couple questions.
20 The sales tax issue that they want to be waived,
21 is that just for Orange County sales tax?

22 MR. ARMISTEAD: That's for the sales tax on
23 the construction material for the project.

24 MS. POTVIN: Purchased in Orange County?

25 MR. ARMISTEAD: Yes.

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2 MS. POTVIN: All supplies or a majority of
3 the supplies for this project will be purchased
4 from Orange County?

5 MR. ARMISTEAD: I can't say that.

6 MS. POTVIN: Well, my other question is did
7 the county when they did their budget in the fall
8 anticipate sales tax revenue from this
9 construction?

10 MR. ARMISTEAD: Without, we'd have to look
11 into that. I don't know, the IDA does not work
12 with the county budget.

13 MS. POTVIN: I understand that but if they
14 didn't, did they know that this type of
15 application was going to come before them?
16 Because otherwise, knowing that this large and
17 like he said \$120 million project would generate
18 quite a bit of sales tax revenue if the items
19 were purchased in the County of Orange.

20 MR. ARMISTEAD: I'm not so sure if the
21 county contemplated this in their budget for
22 2013, John, I mean, when did you start
23 discussions?

24 MR. VILLAPIANO: I can say that we had no
25 contact with the county tax office regarding the

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2 schedule of this project, so unless they made
3 assumptions on their own, I'm unaware.

4 MR. ARMISTEAD: To that point, this project
5 as John said will go over a couple years. So to
6 realize this sales tax revenue to the county, to
7 the community will probably not be affected until
8 the job is complete. So it's a couple years down
9 the road.

10 MS. POTVIN: And then you mentioned in the
11 notice that you read about a possible real
12 property tax abatement. Is that abatement only
13 on the county portion of the taxes?

14 MR. DOWD: Well, they're not asking for that
15 yet. We put it in the notice in case in the
16 future they were going to request that. But that
17 would be a sales, that would be a tax payment for
18 all taxing entities.

19 MS. POTVIN: Including village, school and
20 town?

21 MR. DOWD: Yes.

22 MR. ARMISTEAD: Yes, and that's not--

23 MR. DOWD: They'll be signing a PILOT
24 agreement where they'll be paying taxes but the
25 abatement will be on all taxes entities, if they

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2 ask for one.

3 MS. POTVIN: Well, I said possible, right.

4 Okay, thank you.

5 MR. ARMISTEAD: Thank you. Are there any
6 other questions? Yes, sir?

7 MR. MANLEY: Dick Manley from Highland
8 Mills. One of the things that runs through my
9 mind is that when the town, county and all the
10 various municipalities in the area do their
11 budgets, they assume a certain amount of economic
12 activity and based upon that assumption they
13 project how much money they'll get in revenues.
14 Now you're talking about taking a big chunk out
15 of that anticipated revenue but who's going to
16 pay for the moneys that aren't coming in? In
17 other words, you've got economic activity, the
18 municipalities, our town budgets in a certain
19 amount, you're coming in or they're coming in and
20 saying okay, we want to be exempt from paying for
21 that appropriate tax on that economic activity.
22 My question is this. Who is going to make up the
23 shortfall? I'm a taxpayer, if they don't pay it,
24 I gotta pay it.

25 MR. ARMISTEAD: There's no shortfall but I

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2 will let--

3 MR. MANLEY: Wait a minute, there is a
4 shortfall because the municipalities anticipate a
5 certain amount of growth, they don't write down
6 ba, ba, ba, ba, ba, they assume people are going
7 to expand, people are going to do this, companies
8 are going to do that and they put that into this
9 budget a certain amount of expansion. And then
10 you're saying well, wait a minute, wait a minute,
11 wait a minute, you can't, you can't, you can't
12 get this expansion money. And my question is
13 well, who is going to make up for the shortfall?

14 MR. ARMISTEAD: If they don't do the
15 project, you're not going to get anything anyway.

16 MR. MANLEY: So we don't get the costs
17 either.

18 MR. ARMISTEAD: You'll get the benefit
19 though when it's done.

20 MR. MANLEY: We won't necessarily get the
21 benefit.

22 MR. D'ARMIMIO: That's the point is that
23 this will increase sales and as a result
24 substantially increase sales taxes which will be
25 year after year after year and that's the

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2 incredible benefit to the county substantially.
3 But then all municipalities that share in the
4 sales tax exemption which is a one time exemption
5 for the purchase of construction material.
6 That's all. This isn't an exemption from the
7 sales tax generated from the goods and services
8 that are on the, sold on location. So having,
9 you know, a more attractive location and 60,000
10 additional GLA, we projected I think about like
11 six million, about five or \$6 million a year to
12 begin with increased yearly in sales taxes which
13 in one year more than makes up for the
14 construction, the one time construction.

15 MR. ARMISTEAD: Well, a lot of the materials
16 might come from other counties in the state, from
17 the contractors working, they might be buying
18 materials from other locations, we look at the
19 big picture with the economic and I feel what
20 you're saying about the impact on the economics
21 here, I heard 400 jobs, am I correct?

22 MR. VILLAPIANO: Yes.

23 MR. ARMISTEAD: And I know when the workers
24 are here they're going to be spending their money
25 here, they're going to be spending all of the,

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2 these are local county residents who are the
3 workers and that's what the PLA is all about,
4 you're going to be dealing with fellow county
5 residents working on this project. So I think
6 that's important. The materials, construction
7 sites, I'm in construction, I can tell you that
8 materials can come from all over the place. So,
9 you know, we don't know where they're going to
10 get the materials from but I would think there's
11 going to be a lot of material bought locally.

12 MR. D'ARMIMIO: Construction jobs over the
13 next, we hope we can get this two and a half
14 years, maybe three or four years, there's going
15 to be continuous construction jobs in addition to
16 the creation of permanent jobs once the project
17 is totally completed. John, what was the
18 construction job estimated?

19 MR. VILLAPIANO: Four to 500,000, that's
20 over the course, that's in addition over the
21 course of hopefully two and a half years to maybe
22 even more depending on how construction goes.

23 MR. ARMISTEAD: Thank you.

24 MR. MANLEY: One other aspect of the same
25 kind of thing. In listening to the presentation

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2 and they were describing the various activities
3 and they also mentioned the fact that they
4 haven't made any improvements in the place in a
5 while. My understanding when I was in business
6 that we had to do routine maintenance and routine
7 improvements all along. We didn't save them up
8 until one time, these guys have chosen to save
9 them up and now they're coming in and they're
10 putting in a big project, they're asking for all
11 these, they're asking for the exemptions on this
12 big project. Whereas, other businesses do it
13 incrementally throughout the life and I don't, I
14 don't see why because they bundled everything
15 together in one big package they should be given
16 special whatever as opposed to somebody who's
17 done a good job and has done this routine
18 maintenance. Because they talk about up, I can't
19 think of the right word now, excuse me, I get too
20 old, they're talking about improving the
21 facilities, that normally is done as a routine
22 thing and they're bundling it altogether putting
23 this huge project. And I'm saying well, wait a
24 minute, you know, other people do it
25 incrementally and they don't get an advantage.

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2 Why should these guys because they put it all in
3 one big--

4 MR. ARMISTEAD: John, can you answer that?

5 MR. VILLAPIANO: Just to clarify in my
6 presentation I said beyond necessary maintenance
7 and repairs. There has been numerous times in
8 the last 30 some odd years where this project
9 since the construction started where the
10 hardscape had to be repaired, the curbing had to
11 be repaired, landscape had to be removed and
12 replaced, there was siding, roofing issues.
13 There were also, you know, as you know, you can
14 imagine the amount of asphalt parking we have out
15 there, significant effort goes in annually given
16 the weather and the climate that we're in up here
17 to seal and also overlay the parking lots. What
18 we're doing here is a complete overhaul of this
19 project. You're talking about the construction
20 of over 100,000 square feet of brand new
21 buildings, you're talking about the construction
22 which is a huge portion of this project of a four
23 level parking deck and that's a big number and
24 all of this is going to completely revamped and
25 renovate this project and create something even

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2 more special than it is today.

3 MR. D'ARMIMIO: That's a good economic
4 benefit. We were just emphasizing that, that's
5 why you guys hopefully are interested.

6 MR. VILLAPIANO: And I can tell you that we
7 do have routine inspections with the Village of
8 Woodbury throughout the site and we're required
9 to make improvements at several times throughout
10 the year. We have subcontractors and contractors
11 on our payroll whose job it is to come out and do
12 these quick repairs or else the village and, you
13 know, by law can fine us. So I do appreciate
14 your concern but, you know, we did not bundle,
15 this was not part of a big design that, you
16 know--

17 MR. MANLEY: You should change your
18 presentation a little bit.

19 MR. ARMISTEAD: Yes?

20 MS. NEWMAN: Dorothy Newman. Can you
21 guarantee that we may have, that you're
22 definitely using local contractors and workmen?
23 You're not going to go out of this state? You
24 keep saying that it's going to, you know, you're
25 going to be hiring local people for these jobs

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2 and are these jobs going to be full time jobs?

3 Are they part time jobs where they don't get

4 benefits?

5 MR. D'ARMIMIO: Well, in terms of the jobs,

6 our tenants hire the individuals.

7 MS. NEWMAN: Talking about construction, the

8 construction jobs that you're planning to do.

9 You said, you know, you have all these job

10 opportunities for local people in construction,

11 do we get a guarantee you're using local people?

12 MR. ARMISTEAD: Do you want me to address

13 that? There's a Project Labor Agreement and with

14 that agreement, it's an agreement with the

15 developers and the local trades to hire local,

16 our local tradespeople and they have their union

17 body, they have come to an agreement with special

18 arrangements with the developer but the unions,

19 they have benefits, they have pension, they have

20 health and welfare, so all of the people that are

21 going to be working construction--

22 MS. NEWMAN: They're all going to be union

23 people?

24 MR. ARMISTEAD: I don't know exactly.

25 MS. NEWMAN: Union people have benefits.

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2 MR. ARMISTEAD: I don't know if it's that
3 specific a PLA, but I would guess that the
4 majority of the workers will be local Hudson
5 Valley building trade personnel.

6 MR. MANLEY: There's a PLA?

7 MR. ARMISTEAD: Yes. I can tell you the
8 building trades are behind this project because
9 it's putting local county residents to work that
10 are unemployed right now with benefits so it's a
11 good thing. And I do know, I am privy to a lot
12 of the contractors that have been bidding the
13 work and getting awarded the project, they are
14 local contractors, some of them are Orange County
15 contractors, some are outside, maybe Rockland
16 County, but they're Hudson Valley contractors.
17 That's one of the things the IDA does is look at
18 using our local companies, our local labor for
19 the economic, keeping it within our area. So
20 thank you for that question though. Roxanne
21 Donnery?

22 MS. DONNERY: Just a couple comments. I do
23 know the unions are looking forward to the work
24 because we have come through hard economic times
25 so I'm very happy to hear of course that there's

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2 some labor agreement because I think that's very
3 significant for local workers, especially Hudson
4 Valley workers. I'm always concerned about the
5 IDA's role when it comes to the promise of jobs.
6 I think in the past the accountability hasn't
7 been terrific and I do think that when we're
8 guaranteed jobs certainly with any kind of a
9 construction or tax abatement attached to it that
10 we need to keep our eye on that ball. And I
11 understand they're hired certainly by the
12 individual people who rent your spaces but even
13 construction jobs that are promised, et cetera,
14 that we have to stay on top of that. I think the
15 IDA has been lax and we've gone through many
16 situations in the past where it's not turned out
17 to be what was promised. The other thing I would
18 like to say is that as I look around the room and
19 I see Woodbury people here, for years Woodbury
20 being a host community and I represented this
21 community for a long time, a host community have
22 always felt that they have been greatly burdened
23 but never, never received the share that they
24 should from the sales tax in the county. It's a
25 discussion that I've had for many, many years

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with the county executive when there's a contract that's arrived at on sales tax it's done with the cities and with the county executive cause it's the cities that have the taxing authority, not the local communities. So they, very often the locals feel very much left out of those decisions on what they deserve. I understand because when you live with kind of the elephant in your community and you live with the day-to-day problems that they have certainly with traffic, et cetera, they believe that they do, you know, deserve something and that's when we don't follow through with that and the promises that were made aren't kept then I think the local people get even angrier. I will say that as much as the county executive I don't think has admitted it through the years but me being in the county I've seen the importance, the significance of the sales tax out of Woodbury Commons. I do understand, I have traveled to, my children are military, I know going through the airport in Japan I've seen a billboard for Woodbury Commons. I mean, I understand the international shoppers that come here, the out-of-the-area dollars and I

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2 also understand the benefits that the county
3 receives. For instance, in the most horrible
4 economy that we've been in since the Great
5 Depression, Woodbury Common has had some of their
6 better years and we have continued to collect the
7 tax dollars and continued to share even greater
8 amounts with local government which has really
9 helped your taxes in your own communities. I
10 just want to remind you that there's, like it
11 goes two different ways, but I think the most
12 important issue here is keeping our eye on that
13 ball and when it comes to furthering tax
14 abatements in the future we need to be on top of
15 it. I didn't feel that was well-publicized, I
16 didn't see this hearing today. I got a phone
17 call this morning, that's why I was late coming
18 in. And I think there's a lot of people that
19 have very strong feelings when there's a host
20 community. I'm actually happy to see that you're
21 doing some remodeling over there because I
22 thought it needed it and so I do get that. But
23 please, let's not forget the local community that
24 is your host community and I'm certainly going to
25 be reminding it to the, with the county of what

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2 it is but I kind of wanted to give both sides the
3 benefits and the downsides.

4 MR. ARMISTEAD: Roxanne, if I may make a
5 couple comments in response to your statement. I
6 do know and I have heard the county executive
7 speak many times about how this is a huge tourist
8 attraction, brings a lot of, and he recognizes
9 what the Woodbury Commons does for the county and
10 all of its residents tax wise, I mean, he does
11 recognize that. But I hear what you're saying
12 there with regards to the building trades. I can
13 tell you that the IDA has been meeting with the
14 building trades on a regular basis, Todd Diorio,
15 Bobby Ambrosetti, Mike Gados, we've been working
16 closely with them. We're looking to try to see
17 if there's any way we can modify our policy with
18 claw backs maybe, we've done other large, very
19 large, as you know, very large projects
20 throughout the county in areas that needed
21 economic boosts too and we're getting stronger
22 and stronger, a lot more participation. But as
23 you know, the state has guidelines, keeps us at
24 bay as well of what we can and can't do. We
25 can't come out and say look, you have to use our

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local union people, we can't say that. I'm working closely with the Rockland County IDA, they've got some language that we're looking at that maybe we can employ but we're very cognizant. As you know, I employ a lot of tradespeople from the county, throughout the Hudson Valley for that matter, I'm very concerned about it, it's near and dear to my heart. They know that as well. So we're looking at all the aspects that we can do within our authority to reinforce utilization of local labor. We do want to do that. And again, like I said, I'm working closely with Todd, we've got a lot of things going on at the IDA. This IDA is probably one of the busiest in the state, we're recognized as being a very involved engine, economic engine here. So we welcome the project. This is a great project for the area. I hear what you're saying, I'm sensitive to what you're saying about the local residents here, we have talked to the developers as well as, you know, of course the State DOT is involved here with the traffic concerns as well. I commute through here all the time cause I live in Blooming Grove. So we're

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2 all concerned with the traffic issues here.

3 MS. DONNERY: I do, I can actually give you
4 a dollar amount, last year we know the economy
5 hadn't fully come back and I know the county
6 brought in I think it was an additional \$15
7 million that was not anticipated the year before,
8 I think it was \$12 million, this was during the
9 bad economy. I'm not saying it all was not all
10 from Woodbury Common, I don't know what the
11 breakdown is, but I will say that that has
12 happened in the county. If you look at the
13 various counties that are around you'll see
14 they're all having financial problems, everyone
15 is having financial problems so certainly we need
16 to recognize the benefits but we always have to
17 remember the balance and what's right, fair and
18 good for all those involved, you know, for the
19 workers, for the locals that have to live with it
20 every day as well as the business that comes in.
21 Thank you for your time.

22 MR. ARMISTEAD: Thank you. Yes, sir?

23 MR. QUEENAN: Hi, my name is Mike Queenan
24 and I live in Highland Mills. I was in favor of
25 the project, I still am but there's a lot of,

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2 Roxanne talked about a lot of, you know, the
3 advantages, there are some disadvantages I'd like
4 to bring out, traffic which we all know. Also,
5 if you take traffic violations away over 90
6 percent of the people that show up in the
7 courtroom here are from Woodbury Commons. We
8 also get pollution from all the running cars so
9 there are some negatives. One of the things I
10 always thought was good about the Woodbury
11 Commons was sales tax by the Woodbury Commons and
12 also the property tax. This property tax
13 abatement, this is not an advantage to Woodbury,
14 I mean, you know, to be honest with you, there's
15 a lot of people that are going to benefit from
16 the Woodbury Common renovation. But I'll tell
17 you, Village and Town of Woodbury will benefit
18 the least, yet we're the host community. We get
19 screwed literally by the county. What I'm saying
20 I really think when you made your announcement
21 before the meeting started, you talked about a
22 lot of "if necessary", I'm not really sure what
23 that means, if necessary, if necessary property
24 tax abatement.

25 MR. DOWD: Well, again, the application is

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2 for sales and use tax but we included in the
3 possibility that they may ask for a property tax
4 abatement on the improvements after they're
5 built. So we put it in the notice so anyone here
6 can comment if they wish.

7 MR. QUEENAN: They should have another
8 public hearing if they want property abatement,
9 it should be specific for what they're asking
10 for.

11 MR. DOWD: We're including that in this one,
12 this notice was published in the newspaper, by
13 the way, so that we can actually go forward and
14 not necessarily have to hold another public
15 hearing. This public hearing is for everything
16 that's in the notice including potential property
17 tax abatement.

18 MR. QUEENAN: I understand that but then it
19 can be done without anybody knowing about it.

20 MR. DOWD: Everything we do is in a public
21 meeting. We'll bring it back to the board, if
22 that becomes a possibility, we can always
23 consider another public hearing.

24 MR. QUEENAN: Well, I'm a little concerned
25 when I hear, you know, if necessary, and mortgage

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2 tax if necessary, I mean, I think these issues
3 should stand alone. I mean, sales tax is one
4 thing and depending on what's purchased in Orange
5 County with property tax it's a big deal.

6 MR. ARMISTEAD: We understand.

7 MR. DOWD: Understand.

8 MR. QUEENAN: Real big deal.

9 MR. ARMISTEAD: Just so you know, all the
10 municipalities around the county were interested
11 in what the public feelings are on these tax
12 incentives that we can do. We know we have the
13 authority to do it, but we do listen to our
14 fellow county residents, believe me, because we
15 have shot down requests for PILOTS in certain
16 cases, it has happened. So, you know, if we get
17 a sense that there's enough concern like Kevin
18 said, there will be no problem in having another
19 public hearing if you think there's a need.

20 MR. QUEENAN: I want you to understand when
21 they first met, the IBEW, I was totally in favor.
22 One of the reasons why I was in favor of the
23 project was the tax benefit, you know, the
24 property taxes and I also commented on the sales
25 tax but, and I'm not so sure if I necessarily

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2 care about the materials sales tax, but I do care
3 about the property tax, I mean, that means a lot
4 to Woodbury.

5 MR. ARMISTEAD: Thank you, sir.

6 MS. DONNERY: I misunderstood, I thought
7 there was going to be another hearing that you
8 would be hearing concerning the property tax?

9 MR. DOWD: Roxanne, not necessarily, I mean,
10 that's why we put it in the notice. The fact
11 that Mr. Queenan has brought it up now and he's
12 made it very well known to us that's he's in
13 favor of another hearing or against the property
14 tax abatement that was the intention of putting
15 it in the notice, even though the applicant
16 hasn't asked for it.

17 MS. CARNILLO: My name is Jennifer Carnillo,
18 my family owns Harriman Army Navy in Harriman,
19 New York for the past 41 years. One of the
20 points that I did want to bring up was the point
21 that Mike brought up about having a second
22 hearing. We have owned our own building in
23 Harriman for over 41 years and in the past, we
24 have tried to, we have also rentals in our
25 building as well and we actually have tried to

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2 renovate our building and we've had open space
3 for a good five years and we've gone to the
4 Village of Harriman board and they have made us
5 come back time after time after time after time
6 and have made it by far probably the most
7 difficult process, okay. And one of the things
8 that I do object to is that you're consolidating
9 very, very important topics into one to
10 convenience the need of a very large and very
11 important corporation. But in the meantime,
12 little people like ourselves who really try very,
13 very hard to make a go of it and make character
14 in our community are not being represented and
15 they are really not being treated fairly. So I
16 would like that to be noted. And I hope that you
17 guys can take that into consideration and maybe
18 make some effort to try to make it easier when
19 you're making it easier for a larger corporation.

20 MR. ARMISTEAD: That would be the Village of
21 Harriman though, unfortunately.

22 MS. CARNILLO: I know but it's actually been
23 a community wide issue, Village of Harriman,
24 Village of Monroe, Town of Monroe, it's a
25 community, I'm sure that everyone here can

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2 understand if they have to go for a ZBA or
3 planning board how many times that they have to
4 go back and meanwhile, we have such an easy case
5 right here for a very important situation that
6 affects a huge part of our community.

7 MR. ARMISTEAD: Really appreciate your
8 comment. I'm a business owner as well and have
9 businesses in the Town of Newburgh. I feel for
10 that, although, I work with the town, I can tell
11 you this applicant too has done a lot of
12 homework. I'm not saying that you didn't but I
13 hear your pain, we hear it, the state gets it. I
14 mean, we have a lot of difficulty, Roxanne could
15 back me up on this, we, I have to say that
16 economic development people in our area and
17 throughout the state are working on just that
18 issue, all the bureaucracy that we have to go
19 through to get things done. So we all feel the
20 same pain but thank you for your comment though,
21 appreciate it.

22 MS. CARNILLO: Okay, thank you.

23 MR. ARMISTEAD: Good luck, though, you might
24 have to go through the election process in
25 Harriman. Yes, ma'am?

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2 MS. CROUSE: Robin Crouse. I'm a Woodbury
3 resident. You just mentioned that the applicant
4 has done their homework. I'm asking that the IDA
5 do the same. I have been involved with this
6 project from before there even was a shovel in
7 the ground. So I have a lot of history. I hope
8 you read the files and find out, you know, lot of
9 history yourself. One of them being that they
10 have come before our planning board for site plan
11 amendments many times, not many, several times of
12 that were not routine maintenance projects and
13 whatever and I don't recall them ever asking for
14 an abatement from you in the past. They have
15 done landscaping, they have done walkways, they
16 have done buildings, et cetera, aside from the
17 routine maintenance of course and they have, it
18 has evolved over 25 plus years. And it's great
19 that you know it's here to stay, you know we do
20 reap a lot of benefits, however, I do have some
21 concerns, some have already been echoed in terms
22 of your own definition in terms of offering sales
23 tax exemptions to qualified projects. I'd like
24 to understand and I don't mean right now what
25 constitutes this as a qualified project when

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Harriman Clothing in Harriman, you know, is a much smaller business? Are they qualified, would they be penalized because they're enjoying another abatement, you know? And speaking of abatements and our assessor can clarify if need be, Woodbury Common has received, enjoyed property abatements for probably a 15 year period, over a 15 year period which yes, we do reap a lot of benefits from them, but that hurts, I mean, you know, as people often say well, if they weren't here, we would lose that much more. But what I'm getting at is I don't believe this application should be approved. Yes, they are here, yes we do get our sales tax from them, they are as John said, I mean, you make my life easy because, I mean, he laid it right out there they're known and billed as an international destination, so primarily the shoppers that come here are not even from New York State. You know, which is fine, our doors are open, it's great, you know, we wouldn't be getting this revenue if they weren't here. But I would, we can't afford to lose any either at the flipside as Roxanne well pointed out, we're burdened with it every

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2 day. And thank you for recognizing that. And
3 she's been with us, you know, with the fight for
4 a lot of years. I don't think we can literally
5 afford it. They have been over here for over 25
6 years. If they don't get the abatement, do you
7 really think they're going to roll up their
8 sidewalks and leave? They're not going anywhere.
9 So we cannot afford any reduction certainly over
10 \$4 million. Thank you for your time.

11 MR. ARMISTEAD: Well, you know, I agree with
12 you, they could, they might stay whether we give
13 them the sales tax abatement or not. But you
14 asked when, what the IDA's purpose and mission
15 is, we're all about economic stimulus, economic
16 development and jobs, bottom line that's what it
17 is.

18 MS. CROUSE: They're not going anywhere.

19 MR. ARMISTEAD: They're providing permanent
20 jobs, part time jobs, a lot of jobs with this
21 addition and they're putting a lot of our county
22 residents to work with the construction through
23 the PLA, to us, that's a partnership economic
24 development stimulus. We all have been living
25 through some tough times here and the IDA, we've

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2 got a very astute board, have all professional
3 people from different walks of life, we look at
4 each project on its own merits. This job has a
5 lot of merit, they're only coming for a sales tax
6 exemption on the construction materials. It's a
7 big ticket, it's a big project and sure, they
8 could have said you know what, whether we get it
9 or not we're still going to do this. I don't
10 know their finances as far as that much detail
11 but I can tell you this is a good project for
12 this county. I think it's a good project for the
13 community, I think and hope that some of those
14 jobs are going to go to our children, some of our
15 adults that are out of work, that's the way we
16 look at it, jobs, and it's an economic stimulus.
17 It's going to be spent in our area through all
18 this process. So I appreciate your comments. I
19 can only speak on behalf of the IDA but I can't
20 speak on behalf of them. You guys want to, any
21 further comments?

22 MR. D'ARMIMIO: No.

23 MR. VILLAPIANO: No.

24 MR. ARMISTEAD: Any other comments? Yes,
25 sir?

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2 MR. MCWATERS: My name is Dennis McWaters,
3 I'm from the Town of Monroe and to be fully open,
4 I'm also a candidate for councilman in the Town
5 of Monroe in this coming election. I have two
6 questions, one was brought on by some of the
7 comments by Mr. Queenan, I'm very much in favor
8 of doing the public business in public. If this
9 hearing is specifically about the initial
10 valuation of the sales tax on the materials, I
11 think we then need a separate hearing, a separate
12 consideration for the "if necessary" portions.
13 The property tax issue is going to be a very big
14 number I'm sure when this finally gets evaluated
15 by the local assessor and the tax value is
16 applied. I think for the residents of the county
17 and the residents most specifically for the Town
18 and Village of Woodbury is extremely important,
19 we really need to have a second public opinion or
20 public hearing. I'm always yelling at the Town
21 of Monroe because they like to do their work
22 behind closed doors and I don't approve of that.
23 I'm very much in favor of the Open Meetings Law
24 of the State of New York. My second question is
25 this, maybe I missed this in the public notice or

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2 in Mr. Dowd's reading of the intent of this
3 meeting, what is the specific valuation of the
4 exemption, not the "if necessary" part, but the
5 exemptions that they're considering now?

6 MR. D'ARMIMIO: Up to 4.4.

7 MR. MCWATERS: Okay.

8 MR. D'ARMIMIO: We might be less but no
9 greater than 4.4.

10 MR. MCWATERS: And that's eight and a
11 quarter percent, that's four and a quarter
12 percent?

13 MR. VILLAPIANO: That's the full sales tax.

14 MR. MCWATERS: State, county?

15 MR. VILLAPIANO: State, county and the, I
16 think there's an MTA tax as well.

17 MR. MCWATERS: Yes, thank you.

18 MR. ARMISTEAD: Thank you, sir. Any other
19 questions?

20 MR. MANLEY: I'm sorry, I get popping I'm
21 like a bad penny. In the public notice if I
22 remember they talked about the sales tax
23 exemptions, okay, but I'm not aware of the public
24 notice talking about the if necessary clauses
25 which were added by the attorney when he was

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2 reading, okay. Now I'm not saying that they
3 weren't there, they weren't in the public, they
4 weren't in the notice that I saw in our local
5 newspaper. The point I'm getting at is this in
6 one sense you have complied with the legal
7 requirement for a public notice on the tax
8 abatement, property tax abatement, this is what
9 that was all about. Okay, but as you said
10 earlier, that if they're, if they're going to,
11 they being Woodbury Common, exercise the "if
12 necessary" part, that you would have a public
13 hearing. I realize that legally now you don't
14 have to do it, okay, I would hope that you would
15 recognize your public duty and have one anyway
16 even though it's not a legal requirement because
17 you've got a good lawyer.

18 MR. ARMISTEAD: First of all, that was what
19 was in the paper what he read, what Kevin read
20 was in the paper. But I hear your concern
21 though, we'll have another public hearing if they
22 approach us. Obviously, we've heard from a
23 couple of concerned citizens here and we'll have
24 a public hearing on that matter.

25 MS. CROUSE: To echo that, yes, I hope you

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2 do have a public hearing on the property tax
3 abatement, I appreciate that. Also appreciate
4 you coming to Woodbury. My request though is
5 10:00 on a Tuesday morning? Look at the room, I
6 mean, most people are working.

7 MR. ARMISTEAD: If it were up to me, I'd
8 make it 8:00 in the morning.

9 MS. CROUSE: My request is if you can hold
10 one in the morning but one early evening as well
11 if, you know, to really get public input.

12 MR. ARMISTEAD: We'll have to discuss it
13 with the board, can't keep everybody happy, we
14 try to do the best we can.

15 MS. CROUSE: Just a request.

16 MR. ARMISTEAD: I appreciate it. Well
17 noted. We have a board meeting tomorrow, we'll
18 bring that up. Thank you. Okay, I guess if
19 there's no -- yes, ma'am?

20 MS. UNGERER: Karen Ungerer. I hate to beat
21 a dead horse but I agree with Robin, Woodbury
22 Commons is not going anywhere, if we give them
23 the \$4.4 million tax abatement they're going if
24 we do or don't they're going to build anyway,
25 it's 3.7 percent of \$120 million for them, that's

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2 nothing, when they build it, they're going to
3 reap it back in whatever. My feeling is if
4 they're raking in all the profits, they can
5 afford to give back in taxes. The second thing I
6 saw nothing about a property tax abatement in the
7 papers, in the public notices for this sales and
8 use tax abatement. But I want to go on record as
9 saying that I am against any kind of property
10 abatement tax abatement. There should be another
11 public hearing because I don't know about anybody
12 else this is the first I heard of it when I came
13 here.

14 MR. ARMISTEAD: That was in the paper.

15 MR. DOWD: In the Times Herald Record
16 printed exactly as we sent it.

17 MR. ARMISTEAD: We have a representative
18 from the Times Herald Record. Jim, can you
19 comment on that? I mean, what we read today was
20 in the paper?

21 MR. WALSH: Yes.

22 MS. UNGERER: Maybe I'm not looking in the
23 public records section, maybe I'm looking at the
24 little article that says there's a meeting.

25 MR. ARMISTEAD: That's where it is, that's

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2 where the public notices are posted but that's
3 okay, we definitely will have a public hearing if
4 they approach us on a property--

5 MS. UNGERER: I know we're going to reap a
6 lot of benefits from the sales tax but
7 4.4 million for Orange County is nothing to
8 sneeze at.

9 MR. ARMISTEAD: It's the materials.

10 MS. UNGERER: I know that but it's still
11 \$4.4 million and as Robin said, they're not going
12 anywhere, they're going to build regardless of
13 your decision.

14 MR. ARMISTEAD: Some of the tax money would
15 go to the state you know.

16 MS. UNGERER: Yeah, but still I would like
17 \$4.4 million.

18 MR. ARMISTEAD: Of course. Thank you,
19 though. Any others?

20 MR. BURKE: John Burke, Town of Woodbury
21 Supervisor. Mr. Armistead, thank you for having
22 this meeting, I appreciate it, we all appreciate
23 it. All the points have been brought up are
24 legitimate and of local concern to us. You
25 talked about a PLA, a Project Labor Agreement.

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We in this town have experienced occasional picketing by unions in the past because they have been left out of whatever they have been left out of down there. That's a drain on us and creates a problem traffic wise, certainly creates a police problem. With this new project labor agreement, have all the unions signed off on it in the sense that they will not be picketing and causing disruptions, whether it's a two and a half or three year project that goes on, at least? Very, very important because everybody in this community, in this county profits significantly from the sales distribution from the Commons and all the other retail organizations. We're a town of 11,000 people, as you know, I hope you know, I would think you know the sales tax is not distributed based on impact which we have great impact here, it's based on a per capita basis or per head basis. So our town, 11,300, gets 11,300 people worth of formula. Another town may have 30,000 people, they're going to get 30,000 people worth of the formula, not the impact we have. So again, I will go back to my question. Do we have a guarantee that

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2 unions which they have every right to and I'm for
3 the unions, I don't want this to be
4 misunderstood, that they have signed off and they
5 will not be picketing and causing disruptions in
6 the way we function in our Town and Village of
7 Woodbury and Village of Harriman and Village of
8 Woodbury?

9 MR. ARMISTEAD: Good question. I'll let
10 them answer. I know the answer but I'll let them
11 answer because they signed the PLA.

12 MR. D'ARMIMIO: We don't know specifically.

13 MR. VILLAPIANO: I don't know the specifics.

14 MR. ARMISTEAD: Typical PLA has a no strike
15 and no picketing clause in it typically for those
16 who sign it and I think you've got all the
17 building trades signed up, no?

18 MR. D'ARMIMIO: I didn't negotiate.

19 MR. BURKE: I hope you'll do, I'm asking you
20 to do the proper diligence on that question
21 because we do not need anymore disruptions in
22 Woodbury. We all know the history of what goes
23 on here day in and day out, week in and week out,
24 weekend in and weekend out, so we know that so
25 whatever can be done to minimize that is vitally

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2 important to us, it's going to be a massive
3 construction job, massive, and there's going to
4 be a lot of movement going back and forth, not
5 only construction stuff but just general, them
6 trying to maintain.

7 MR. ARMISTEAD: I remember when it first was
8 built back in what, the '70s?

9 MR. BURKE: In the mid '80s.

10 MR. ARMISTEAD: I remember the rat being on
11 32.

12 MR. BURKE: Well, there you go.

13 MR. ARMISTEAD: But I will do this, sir, I
14 will speak, you know, it's not under my control
15 but I will do, I will speak to Mr. Diorio who I
16 know very well. But I believe that my
17 understanding was that all the trades were on
18 board with this which would prevent any problems
19 like that.

20 MR. BURKE: Well, if you can make sure all
21 the trades, all it takes is one trade to be
22 upset.

23 MR. ARMISTEAD: Fair enough, yes, sir.

24 MR. BURKE: Mr. Dowd, either one can answer
25 the question. The agency will acquire a

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2 leasehold interest in the facility and lease the
3 facility back to the company. What do you mean
4 by a leasehold interest?

5 MR. DOWD: Basically, a lease agreement, but
6 that would only occur if there's going to be a
7 property tax abatement.

8 MR. BURKE: Only if there's property tax?

9 MR. DOWD: Right.

10 MR. BURKE: So therefore you're not going to
11 have a leaseholder the way it's constructed now,
12 what you're entertaining right now is basically--

13 MR. DOWD: Sales and use tax.

14 MR. BURKE: On equipment and materials?

15 MR. DOWD: Correct.

16 MR. BURKE: So that statement is not true.

17 MR. DOWD: That would be, we put it there
18 because that would be how it would, the property
19 tax abatement, that's how we'd deal with it, it
20 would be a lease from the owner to us and back to
21 the owner so wouldn't come off the tax rolls but
22 that's the way we do property tax abatements,
23 okay, and that's not happening right now because
24 they're not requesting it.

25 MR. BURKE: All the more reason why it's

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2 vitally important, I know you've got the message,
3 hopefully, whoever is going to make the final
4 decision will have to understand that we in
5 Woodbury have a lot at stake with everything, we
6 have to have a public hearing if somebody's going
7 to come in and try to monkey with mortgage tax or
8 the property tax. One of the items is a mortgage
9 recording tax exemption, we all talk about the
10 property tax exemptions, what exactly is a
11 recording tax exemption, mortgage recording tax
12 exemption?

13 MR. DOWD: They take out a loan,
14 construction loan that has to be recorded,
15 mortgage recording tax, the bank that's lending,
16 taking a mortgage on the premises that would be
17 one of the things we'd consider exempt, paying
18 the mortgage recording tax.

19 MR. BURKE: Right now the decision is only
20 being made on the sales of materials?

21 MR. DOWD: Right.

22 MR. BURKE: When do you anticipate your IDA
23 is going to make a decision?

24 MR. ARMISTEAD: Tomorrow.

25 MR. BURKE: Tomorrow?

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2 MR. ARMISTEAD: Yes.

3 MR. BURKE: Okay, I just want to, I don't
4 want to beat a dead horse, but we have more at
5 stake in this town, in this village than anybody
6 else in the county and the rest of the county is
7 profiting vitally by it, no problem, we're
8 sharing it, that's not our beef, that's the
9 formula but we're suffering with it all the time.
10 Mr. Armistead, you live in Blooming Grove, if
11 you've been stuck in this place on the weekends
12 inside or out then you know.

13 MR. ARMISTEAD: I shop there myself so I
14 know.

15 MR. BURKE: Inside or outside, and they talk
16 about an increase of maybe 12 or 1,300 cars but
17 putting up this new garage, I know the garage is
18 going to be maybe 2,200 square feet, I forget the
19 number, it's here but we're putting on space that
20 already exists, there's going to be basically a
21 net increase of around 1,200 cars. When those
22 extra 1,200 people get in there now we're talking
23 about 5,700 cars give or take a few before this
24 whole thing happened, then there are huge
25 problems in there. We're going to add another 12

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2 or 1,300 to it, getting out is going to create
3 huge problems for another 1,200 cars into a
4 project that had not even signed off on yet in
5 the state. Again, when it hits, when stuff
6 begins to break down, our police, our ambulance,
7 and our fire departments are on call and are
8 there, more pressure on the Town of Woodbury. So
9 I hear what you're saying, the overall picture of
10 the IDA when it's right and all the pieces fit
11 together I understand the concept of the IDA.
12 This is unique, they are not going away, we know
13 that they're too big and they're here, we
14 approved it all, we approved it and we approved
15 it and we approved it so we're not doing, we're
16 not in an iron box here, not knowing what's going
17 on but there's a huge impact on the Town of
18 Woodbury and how that's going to be factored in,
19 I'll leave it to you and your experience and your
20 board but it cannot, it cannot be and must not be
21 forgotten. Thank you very much.

22 MR. ARMISTEAD: Just for the record, we
23 approve many jobs throughout the county and a lot
24 of these projects are additions and expansions to
25 existing companies in the county. And we approve

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those sales tax PILOTS for those expansions, we've done a number of them, I would say in fact the majority of them, the paper will see we attract a big company into the county but there are a lot of projects that come to the board that we approve in various towns throughout the county that are just extensions just like that, maybe on a smaller scale but they're all going back to our mission is jobs, economic stimulus, economic development in the county. And I hear what the Supervisor, Town Supervisor says, I totally, totally get it and we can only do what we can do within our power. I'm sure the county exec, legislature, they know the situation too. You have one of our esteemed leaders here in the room today so it's all on everybody's mind. We're very proud to have Woodbury Commons here, it's a star and it's a huge economic engine for our county, it has been and but I appreciate all, everybody attending today. You have one more comment?

MS. CARNILLO: I just have one more comment. It's actually a couple of questions if I can just ask them all at once and hopefully you can answer

1 CPG PARTNERS, L.P.

2 them. Can you repeat the revenue that you expect
3 to generate from this addition again? And then
4 also my follow-up question is is that is there a
5 limitation on the abatement for the tax on
6 construction supplies as far as annual is it
7 going to be a limit on years or is it going to be
8 a monetary limit?

9 MR. DOWD: The length of the construction
10 so--

11 MS. CARNILLO: If they continue to renovate
12 will there be a cap or will it just be
13 continuously?

14 MR. ARMISTEAD: It's limited to this
15 project.

16 MR. DOWD: If it takes two and a half years
17 but every, so for the two and a half years the
18 sales taxes exemption will be in effect.

19 MR. ARMISTEAD: Not necessarily because some
20 of the materials might not be available, some of
21 the let's use the HVAC equipment that might be
22 purchased through somewhere else in the country,
23 you know, but there's use tax involved too and
24 sales, there's taxes that the states recognize so
25 there's a lot that goes into this. But they will

1 CPG PARTNERS, L.P.

2 be using a lot of material and things locally too
3 cause these contractors come in, they can't get
4 everything from big distributors, they're going
5 to have to deal with our local lumber yards,
6 local plumbing supply houses, local electrical
7 supply house.

8 MS. CARNILLO: What's the revenue, please?

9 MR. VILLAPIANO: This is the sales.

10 MS. CARNILLO: Five year revenue?

11 MR. VILLAPIANO: Five year, I mean, we
12 project once fully operational that there will be
13 about 90 million in additional sales.

14 MR. D'ARMIMIO: Sales tax will be?

15 MR. VILLAPIANO: Sales tax about 5.6.

16 MS. CARNILLO: In addition to your existing?

17 MR. VILLAPIANO: Yes.

18 MS. CARNILLO: Thank you very much.

19 MR. ARMISTEAD: Thank you. Okay, if there's
20 no further questions, we'll call this, any other
21 questions? No further questions, we'll call this
22 meeting closed. Thank you all for attending.

23 (Proceedings concluded at 11:10 a.m.)

24 *****

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

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

6

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

11

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

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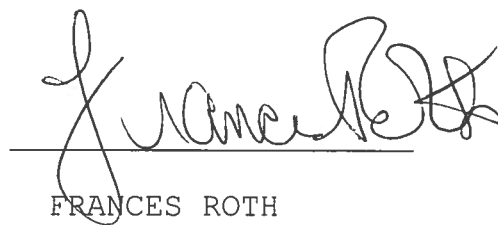
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