

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATE OF NEW YORK

-----x

In The Matter of

Re: CRH REALTY VI, LLC

-----x

Town of Wallkill
Town Hall
99 Tower Drive
Middletown, New York
July 23, 2012
10:00 a.m.

B E F O R E: JAMES O'DONNELL
Acting Executive Director
Orange County IDA

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

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

LAW OFFICE OF KEVIN T. DOWD
Attorney for IDA
46 Daisy Lane
Montgomery, New York 12549

Also Present: Columbia Development Companies
302 Washington Avenue Ext.
Albany, NY 12203
BY: RICHARD A. ROSEN, Vice President

CRH REALTY VI, LLC

1
2
3 MR. O'DONNELL: I'd like to call the meeting
4 to order of the Orange County IDA and Crystal Run
5 Healthcare. And today is Monday, July 23rd and
6 it's 10 a.m. and we're at the Town Hall in the
7 Town of Wallkill. I'd ask everyone to please
8 turn off their cell phones and please stand for
9 the Pledge of Allegiance.

10 (Whereupon, the Pledge of Allegiance was
11 recited.)

12 MR. O'DONNELL: Introductions I'll start
13 with myself, I'm the Deputy County Executive for
14 Orange County. I'm also the Executive Director
15 for Orange County Industrial Development Agency.
16 to my left is our new Orange County IDA attorney,
17 Kevin Dowd, this is his first public meeting,
18 welcome aboard to the IDA. And we have our
19 stenographer, Frances Roth, with us, thank you.
20 We also have the Supervisor for the Town of
21 Wallkill, Dan Depew present in the audience,
22 appreciate you coming in. This meeting is for
23 informational purposes only. No action will be
24 taken here today. And we're here today just to
25 gather public comments on the project. The

1 CRH REALTY VI, LLC

2 information will be then taken back to the IDA
3 Board, seven members will read the transcript of
4 this hearing and any action taken on it will be
5 based on the public comments and the merits of
6 the application. I ask Kevin to read the notice
7 of public hearing, please.

8 MR. DOWD: Notice of Public Hearing. Notice
9 is hereby given that a public hearing pursuant to
10 Article 18-A of the New York General Municipal
11 Law will be held by the Orange County Industrial
12 Development Agency on Monday, July 23, 2012 at 10
13 a.m. local time in the board room of the Wallkill
14 Town Hall, Building A, 99 Tower Drive,
15 Middletown, New York in connection with the
16 following matter. CRH Realty VI, LLC, a New
17 York limited liability company for itself or on
18 behalf of an entity formed or to be formed,
19 (collectively, the "Company"), has submitted an
20 application, (the "Application") to the Agency
21 requesting the Agency's assistance with respect
22 to a certain project (the "Project") consisting
23 of one (i) the acquisition by the Agency of a
24 leasehold interest in approximately 7.70 acre
25 parcel of vacant land located on Rykowski

CRH REALTY VI, LLC

1
2
3 Lane in the Town of Wallkill, Orange County, New
4 York (the "Land") being more particularly
5 described as TMID numbers 60-1-106, 60-1-107,
6 60-1-108 and 60-1-109, (ii) the acquisition and
7 construction on the land of an approximately
8 60,000 square foot three story building and
9 related improvements to be used by the company
10 and its tenants for office and related space (the
11 "Improvements") and (iii) the acquisition and
12 installation in and around the improvements of
13 certain items of equipment and other tangible
14 personal property including but not limited to
15 HVAC systems, plumbing and electrical fixtures,
16 elevators and office furniture (collectively the
17 "Equipment") and together with the Land and the
18 Improvements (the "Facility"). The Agency will
19 acquire title to or a leasehold interest in the
20 Facility and lease the Facility back to the
21 Company. The Company will operate the Facility
22 during the term of the lease. At the end of the
23 lease term, the Company will purchase the
24 Facility from the Agency or if the Agency holds a
25 leasehold interest, the leasehold interest will

1 CRH REALTY VI, LLC

2 be terminated. The Agency contemplates that it
3 will provide financial assistance (the "Financial
4 Assistance") to the Company in the form of sales
5 and use tax exemptions, a mortgage recording
6 tax exemption, consistent with the policies of
7 the Agency and a real property tax abatement. A
8 representative of the Agency will be at the
9 above-stated time and place to present a copy of
10 the Company's project application, including a
11 cost benefit analysis and hear and accept written
12 and oral comments from all persons with views in
13 favor of or opposed to or otherwise relevant to
14 the proposed financial assistance. Dated:
15 July 6, 2012 by the Orange County IDA

16 MR. O'DONNELL: Thank you, Kevin. Just to
17 give you from the IDA's perspective just a brief
18 description of the tax breaks they have applied
19 for is the sales tax break would be \$308,750, all
20 of these numbers are approximates, mortgage tax
21 would be \$123,900, and the property tax abatement
22 10 year PILOT would be \$1,052,858 over the course
23 of those 10 years. New jobs created by this
24 expansion project are 200 and retained jobs which
25 are just as important if not important more

CRH REALTY VI, LLC

1
2 important is 300 retained jobs. During the
3 process of construction jobs there will be 150
4 construction jobs and the payroll, the yearly
5 payroll will be for the new jobs 3.4 million and
6 retained jobs 10 million. At this time, there's
7 a company representative, Mr. Rosen, if you'd
8 like to give a brief overview. Again, this isn't
9 a planning board meeting but a brief overview of
10 the project.

11 MR. ROSEN: Good morning. Again, my name is
12 Richard Rosen, I'm with Columbia Development.
13 I'm here today representing Crystal Run
14 Healthcare. As many of you probably know,
15 Crystal Run is one of the larger private
16 employers in Orange County. We have successfully
17 developed several projects over the last five
18 years as far as new real estate which has housed
19 their expansion and has allowed them to remain
20 competitive in this very competitive field of
21 healthcare. What we're proposing at Rykowski
22 Lane is a three story, 60,000 square foot
23 building. It will be for a call center, what I
24 will call back office space which will be a
25 support to the primary goal of providing

CRH REALTY VI, LLC

1
2 healthcare to the community here in Wallkill as
3 well as all around Orange County. As stated in
4 the application, we're here today to discuss this
5 14.6 million dollar project. It will be
6 completed hopefully within 10 months, depending
7 on when we start. We're hoping to start the
8 project sometime this fall. We have conditional
9 site plan approval from the Town of Wallkill
10 Planning Board. It's been a very pleasant
11 process working with the town in trying to fast
12 track and develop this project because Crystal
13 Run Healthcare has in the past outsourced this
14 type of work to call centers before and found out
15 that it wasn't providing the, what they consider
16 professional and proper service to their
17 clientele. So they decided to bring all these
18 things back in-house. They're bursting at the
19 seams in their other facility so this new
20 facility is necessary to not only retain these
21 jobs but with this aggressive growth plan over
22 the next five years they plan on adding roughly
23 200 new jobs to this location. And what's really
24 not told in the story or in the application as
25 they decompress and move these people from our

1 CRH REALTY VI, LLC

2 facilities to this new facility, it will allow
3 future expansion in the existing facilities for
4 more clinical space to bring in more physicians,
5 more healthcare programs. So overall, this is a
6 very positive growth plan for Crystal Run
7 Healthcare. Like we mentioned in our
8 application, we're here today seeking the IDA's
9 assistance for mortgage recording tax, sales tax
10 and a 10 year PILOT for real estate taxes. And
11 if anyone has any questions, I'd be happy to
12 answer them.

13 MR. O'DONNELL: Thank you. Mr. Supervisor,
14 any comments?

15 SUPERVISOR DEPEW: Yeah. As the Town
16 Supervisor of the Town of Wallkill, I also serve
17 as Chairman of the IDA for the Town of Wallkill.
18 And I spoke with members of the IDA and they felt
19 no concern in sending that to the Orange County
20 IDA to review this case. We have not been
21 reviewing cases recently although we may in the
22 future start doing so again. So at this time, we
23 agree that you guys review that case. We have
24 also recognized that the Orange County IDA has
25 been the agency that has reviewed Crystal Run

1 CRH REALTY VI, LLC

2 Healthcare's previous applications in the Town of
3 Wallkill for PILOTS and things of that nature.

4 So we see no discrepancy with that. We also

5 believe that the IDA of Orange County in a

6 recommendation from us should stick to no more

7 than what they have given Crystal Run to develop

8 in the Town of Wallkill. In the past, there was

9 some discussion, I don't know exactly where it

10 stemmed from about maybe doing a 15 year PILOT

11 for Crystal Run here in Wallkill and we in

12 Wallkill discourage that and recommend that you

13 don't do that. But certainly if you can get them

14 to build the building, commit to the Rykowski

15 Lane site, develop it in a manner in which they

16 have already received preliminary approval from

17 the town board so we know that they can fit

18 there, it would work there and they stick to the

19 minimum of, you know, the maximum of a 10 year

20 PILOT, we think it would be a good thing. We do

21 recognize that this is important for Wallkill

22 just because of what the gentleman had just

23 previously said in the fact that we currently

24 have two Crystal Run Healthcare facilities in the

25 town now and we know that once some of the office

1 CRH REALTY VI, LLC

2 work can be moved from those facilities into the
3 new facility on Rykowski Lane we'd probably see
4 an increase of jobs for medical professionals in
5 the two existing facilities in addition to the
6 jobs that will be created being brought from
7 other facilities in the Hudson Valley. As you
8 may know and as we certainly do know, Crystal Run
9 is not limited just to Orange County and their
10 ability to leave the county and go somewhere else
11 is certainly of a high potential, which is one of
12 the reasons why we have worked to jettison this
13 project forward as quick as possible through the
14 planning process to show them that the Town of
15 Wallkill and Orange County is a very solid place
16 to develop a business and we'd actual support the
17 project. And if you find along the way that
18 there's other projects that you need help from us
19 on you'll let us know.

20 MR. O'DONNELL: Thank you. Mr. Miller from
21 the Goshen School District, would you like to
22 make any comments?

23 MR. MILLER: Just I'm here on behalf of
24 trying to collect information, some has been
25 provided to me. One of the questions I have is

1 CRH REALTY VI, LLC

2 what is the present property assessed at and what
3 would be the loss when we go to the year one
4 PILOT?

5 MR. O'DONNELL: There is no loss, okay,
6 cause we don't go backwards, alright, so whatever
7 taxes they pay now they'll continue to pay on a
8 new assessment. Okay? It's just on the new
9 assessment and it's 10 percent, 20, 30, 40 up
10 through the years increases 10 percent. All of
11 our PILOTS we never go backwards. So whatever
12 taxes are paid on the property today remains and
13 it's only a tax break on the new assessment on
14 the new building. So you never lose money.

15 MR. MILLER: What's year one of the PILOT?

16 MR. O'DONNELL: Ten.

17 MR. MILLER: What year?

18 MR. O'DONNELL: Well, depends when they
19 start construction.

20 MR. ROSEN: Depends on the completion of
21 construction.

22 MR. MILLER: It could be three years out
23 from now?

24 SUPERVISOR DEPEW: Be like next year, 2013.

25 MR. ROSEN: If it's three years I'm in

1 CRH REALTY VI, LLC

2 trouble.

3 MR. MILLER: Is it typical to, this
4 arrangement seems to be a lease from the IDA?

5 MR. O'DONNELL: It's a, all PILOTS are lease
6 arrangements until the end of the PILOT, right?

7 MR. MILLER: So the IDA is financing the
8 cost of construction?

9 MR. O'DONNELL: No, no, no, we don't put up
10 any money, it's all their money and just legally
11 the lease through the PILOT.

12 MR. DOWD: Correct. Basically, what they're
13 getting are breaks on like sales tax, use tax for
14 the materials that they put into the building to
15 build the buildings and they're getting, when we
16 lease the property they're getting a tax
17 abatement as pursuant to PILOT agreement. And
18 there's also mortgage tax recording fee that they
19 also get exempt from. IDA does not spend money
20 on this project, they give them the break to
21 build the buildings and bring the business here.

22 MR. MILLER: They'd ultimately be buying it
23 back?

24 MR. DOWD: It's a lease.

25 MR. O'DONNELL: It's not bought back.

1 CRH REALTY VI, LLC

2 MR. DOWD: The lease of the property would
3 be given back to Crystal Run at the end of the
4 PILOT.

5 MR. MILLER: Thank you.

6 MR. O'DONNELL: You're welcome. Any other
7 public comments at this time?

8 MR. DOWD: Mr. Chairman, just one thing. On
9 your application, Mr. Rosen, on page six you're
10 listing the school district as Chester Union
11 Free. Apparently, it's Goshen. So you may want
12 to correct your application.

13 MR. ROSEN: Yes, we do.

14 SUPERVISOR DEPEW: He wouldn't have been
15 able to get the approval that quick in Chester.

16 MR. DOWD: I'm assuming that since you got a
17 site plan approval conditionally that SEQRA has
18 already been completed?

19 MR. ROSEN: That's correct.

20 MR. DOWD: Negative declaration issued?

21 MR. ROSEN: That's correct.

22 MR. DOWD: Can we get a copy of that?

23 MR. ROSEN: I'll get you a copy.

24 MR. O'DONNELL: Just send us a new sheet.

25 MR. MILLER: When do you anticipate voting

1 CRH REALTY VI, LLC

2 on this action?

3 MR. O'DONNELL: This month and that's the
4 third Wednesday of every month over at Stewart
5 Airport, 4 Crotty Lane, Town of New Windsor at
6 the Orange County Business Accelerator building
7 and the meetings normally start at 2:00 p.m. If
8 there's a change to that, I'll get ahold of you.

9 MR. MILLER: And you'll take written
10 comments before then?

11 MR. O'DONNELL: Sure, send them to me.

12 MR. MILLER: Thank you.

13 MR. O'DONNELL: You're welcome. At this
14 time, I'll close the public hearing. The time is
15 10:21 a.m. Thank you all for appearing.

16
17
18
19 *****
20
21
22
23
24
25

2

3

4

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

5

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

8

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

13

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

17

18

19

20

A handwritten signature in cursive script, appearing to read "Frances Roth", is written over a horizontal line. The signature is fluid and somewhat stylized.

FRANCES ROTH

21

22

23

24

25