

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
STATE OF NEW YORK

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In the Matter of

RE: WALLKILL PARTNERS LLC PROJECT

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Town of Wallkill Town Hall  
99 Tower Drive  
Wallkill, New York  
March 10, 2011  
10:00 a.m.

B E F O R E : JAMES R. PETRO, JR., CHAIRMAN  
Orange County IDA  
P.O. Box 928  
Vails Gate, New York 12584

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ROBERTA O'ROURKE  
Court Stenographer  
P.O. Box 142  
Cornwall, New York 12518  
(845) 527-2572

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

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Philip A. Crotty, Esq.  
5 P.O. Box 363  
Cornwall-on-Hudson, New York 12520

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2 MR. PETRO: All right, we're going to  
3 start the public hearing for, what is the  
4 actual name of this, Phil?

MR. CROTTY: Wallkill Partners LLC.

6 MR. PETRO: Would everyone please  
7 stand for the pledge of allegiance?

(Whereupon, everyone stood for the  
pledge of allegiance.)

10 MR. PETRO: All right, Phil, if you  
11 can read the notice of public hearing.

12            Obviously we have a stenographer here, so  
13            everything you say will be recorded. There  
14            was a pass around sheet, if you haven't  
15            signed it please do so.

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2                   Funding Corporation. The IDA is considering  
3                   providing financial assistance in the form of  
4                   a pilot sales tax and mortgage recording tax  
5                   exemption. The Orange County Funding  
6                   Corporation will be the conduit issuer of tax  
7                   exempt bonds.

Now I will read the notice of public hearing on the proposed issuance of bonds, Notice is hereby given that a joint public hearing pursuant to Article 18-A of the New York General Municipal Law at Section 147(f) of the Internal Revenue Code of 1986 as amended will be held by the Orange County Industrial Development Agency and the Orange County Funding Corporation on Thursday, March 10, 2011 at 10 a.m. at Wallkill Town Hall, 99 Tower Drive, Wallkill, New York, 10941 in connection with the following matter Wallkill Partners LLC, New York limited liability company having offices at 800 Westchester Avenue, Ryebrook, New York 10573 has submitted an application to the issuer and the agency, a copy of which is on file at the office of the issuer, requesting that the

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2 issuer consider undertaking a project  
3 consisting of (A) the acquisition by the  
4 issuer and/or the agency of title to or other  
5 interest in an approximately 6-acre parcel of  
6 vacant land located on Rykowski Lane in the  
7 Town of Wallkill, Orange County, New York and  
8 (B) construction upon the land of an  
9 approximately 200 bed, 130 unit licensed  
10 assisted living facility for low income  
11 seniors contained in the aggregate  
12 approximately 130,000 square feet of which  
13 approximately 3,800 square feet will be used  
14 for office operational space and (C) the  
15 acquisition and installation in around the  
16 improvements of certain machinery, appliances  
17 equipment and other items of tangible  
18 personal property and (D) the paying of  
19 certain costs and expenses incidental to the  
20 issuance of bonds and (E) the financing of  
21 all or a portion of the cost of the foregoing  
22 by the issuance of its multifamily housing  
23 revenue bonds in one or more series in a  
24 maximum aggregate principal amount of  
25 \$27,000,000 and (F) the lease or sale of the

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2 . . . issuer's interest in facility back to the  
3 company.

The issuer and the agency are  
contemplating providing financial assistance  
to the company with respect to the project in  
the form of (1) the issuance of multifamily  
housing revenue bonds and the principal  
amount not to exceed the lesser of the  
project costs or \$27,000,000 or alternatively  
through a straight lease transaction pursuant  
to which the issuer will take and hold title  
to a leasehold interest in facility for a  
period of time and sell or sublease such  
leasehold interest in the facility back to  
the company and (2) an exemption from all  
state and local sales and use taxes with  
respect to the qualifying personal property  
incorporated into the facility and used in  
the acquisition, renovation or equipment of  
the facility and (3) an exemption from all  
mortgage recording taxes imposed by the State  
of New York with respect to any qualifying  
mortgage on the facility to secure the bonds  
and/or any other indebtedness incurred by or

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for the benefit of the company in connection  
with the project and (4) partial real  
property tax abatement through the execution  
of an agreement with the issuer regarding  
payments in lieu of real property taxes to be  
made to each municipality and school district  
and jurisdiction over the facility.

If the issuance of the bonds is  
approved by the issuer and the agency the  
issuer or the agency will acquire and retain  
title to the facility or an interest therein  
and lease or sell the facility or such  
interests therein to the company pursuant to  
a lease agreement or installment sale  
agreement and the company will operate and  
manage the facility during the term of the  
agreement. At the end of the term of the  
agreement the company will reacquire the  
facility from the issuer or the agency.

If the issuance of the bonds is  
approved (i) it is intended that interest on  
the bonds will be excluded from gross income  
or federal income tax purposes pursuant to  
Section 103(a) of the code. And (ii) the

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facility will be leased or sold by the issuer  
or the agency to the company pursuant to the  
agreement which shall require the company to  
make payments equal to debt service on the  
bonds and make certain other payments and  
(iii) the bonds will be special obligations  
of the issuer and/or the agency payable  
solely from the proceeds of the agreement at  
certain other assets of the issuer and/or the  
agency pledged to the repayment of the bonds.  
The bonds shall not be a debt of the State of  
New York or Orange County, New York and  
neither the State of New York nor Orange  
County, New York shall be liable thereon.

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This public hearing is being conducted  
in accordance with Section 147(f) of the code  
and subdivision 2 of Section 859-a of the New  
York General Municipal Law, dated February  
10, 2011 by the Orange County Industrial  
Development Agency and the Orange County  
Funding Corporation.

20 MR. SMITH: First of all the project  
21 is a 200 bed assisted living facility which  
22 is the second of its kind developed by the  
23 FilBen Group based out of Westchester County.  
24 The FilBen Group consists of two families  
25 Benison and Filaski who have been in this

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business since the 1960's for 50 years. And  
now this is the second generation doing this  
business.

They design, develop, own and operate assisted living skilled nursing facilities and have also done independent living facilities, all senior facilities.

9                 This project is unique in that they  
10                use a combination of design, efficiencies of  
11                construction, efficiencies of operation,  
12                funding mechanisms and operational experience  
13                to bring the cost dramatically down to the  
14                resident. Such that there are units in here  
15                that are available at \$3,400 a month with all  
16                in. So it's complete, all housing costs,  
17                food, room, entertainment, some medical  
18                assistance, nursing assistance.

19 MR. PETRO: That's entry level though  
20 3,400?

21 MR. SMITH: Yes.

22 MR. PETRO: Is there better also?

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I mean it has obviously complete dining facilities, independent suites, both studios and suites. It has recreational facilities, theaters, card rooms, entertainment rooms, pub, physical therapy, gym. So it's designed to be a community which brings to the senior residents several things, one senior design living, design for seniors with full assistance 24 hour staffing assistance.

Affordability. And equally important to all  
of that a social environment that eliminates  
the isolation that's associated with aging,  
being isolated. So you really have a social  
environment.

16 They have a van that, one of the  
17 reasons they chose this location it's next to  
18 the new Orange Regional Hospital, next to  
19 Crystal Run, next to all the healthcare, next  
20 to all the entertainment, shopping,  
21 pharmacies, and they have a full van service  
22 that will take the residents on a regular  
23 loop around town wherever they need to go on  
24 a regular basis.

25 The total project is 42 million which

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2 includes construction and obviously all the  
3 equipment. They will employ over 100 people,  
4 85 full time equivalents ranging from  
5 administrator to HR, dietary, physical  
6 therapy down to housekeeping and the whole  
7 gamut in between.

This is the second facility the FilBen Group has built. First is on Long Island, enormously successful, with a waiting list of over 100 people wanting to live in 200 units. And this is working very well. So the intent of this prototype will be replicated, hopefully a couple more in Orange County, working on one in Fishkill. This is a model to be replicated.

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not going to eat \$3,100 a month in food, I  
doubt that very much.

9 MR. PETRO: In-house taken care of.

10 MR. SMITH: So the next step right  
11 now, and we have thousands of residents,  
12 seniors in nursing homes that don't have to  
13 be in nursing homes and they are paying  
14 \$12,000 a month in places like Elant Nursing  
15 Home and they actually don't need to be  
16 there. They need to have 24 hour care but  
17 they don't need nursing care. And the State  
18 and the Federal Government are paying and the  
19 County, we're paying that \$12,000 a month for  
20 that nursing care, where they can be living  
21 in a much improved social environment with 24  
22 hour care, assistance with medication and  
23 medical, food, entertainment and everything.  
24 So, you know, it's like a college, I compare  
25 it to a college sorority.



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2 MR. PETRO: All right, I'll read that  
3 into the record. January 5th, 2011 Town of  
4 Wallkill, please let this letter serve to  
5 confirm our support of the Filben Development  
6 project known as Wallkill Hamlet Assisting  
7 lived. This project located on Rykowski Lane  
8 off of Crystal Run Road in the Town of  
9 Wallkill is proposing to conduct a 200 unit  
10 assisted living facility. We are excited  
11 about this project as it fits in well with  
12 our medical corridor which includes the new  
13 Orange Regional Medical Center, Orange  
14 Regional Medical Pavilion, Crystal Run  
15 Healthcare and multiple other medical offices  
16 and services. In addition to providing  
17 employment during the construction stage and  
18 88 healthcare professionals and permanent  
19 employment the project will accommodate  
20 affordable healthcare and living  
21 accommodations for many seniors. The project  
22 completed the Municipal Land Use review with  
23 the Town's Planning Board. From the Town's  
24 perspective it is ready for a 2011  
25 construction start. We understand the

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2 project developers are working diligently to  
3 arrange the financing for this 30 plus  
4 million dollar facility and appreciate any  
5 help that the Orange County IDA may provide.

6                   Sincerely John F. Ward, Chairman Town of  
7                   Wallkill Industrial Agency. I believe he is  
8                   also the supervisor, is that correct?

9 MR. SMITH: I also submit, I have  
10 several letters in the record, we don't have  
11 to read them, these are from -- actually  
12 addressed to the Department of New York State  
13 Department of Health but I want to give the,  
14 for the file the IDA copies and these are all  
15 letters that support the project from  
16 Assembly Woman Annie Rabbitt, the Orange  
17 County Alliance for Balance Growth, Orange  
18 County Partnership, Senator William Larkin,  
19 Orange County Chamber of Commerce, Orange  
20 County David Jolly Commissioner of Social  
21 Services and Ann Marie Maglione from the  
22 Orange County Office of the Aging.

23 MR. PETRO: I'm going to open it up to  
24 the public. If there's any comment from  
25 anybody who'd like to speak state your name

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and affiliation and go.

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MS. TAROLLI: I am Sharon Tarolli, I

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don't have an affiliation but community

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supporter of the project. I'm a social

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worker with 30 years experience in

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healthcare. I designed and administered a

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home health program for the health impaired

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elderly. The intent at the time was to keep

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people in their home, bringing in as much

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support as you could using community

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resources. It's well documented in the

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Wallkill hamlet proposal the need for the

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next step. I think our communities have been

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very successful in creating senior apartments

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but there comes a time when an elderly person

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needs to move into what R.J. just described

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as an assisted living 24 hour coverage.

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I've read the proposal, I love the

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philosophy. The facility design, the

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programs, the services are comprehensive,

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it's what this population needs. I also see

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the proposal as unique and it's coming back

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to your question about \$3,400 a month, it

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includes all people. And I have experienced

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over the past seven years working with relatives to get them to move from home to a more secure and appropriate living arrangement. There's a cohort of people out there whose needs are not being met. They are people who have modest incomes, they are the middle class older people who are not eligible for subsidy, not eligible for any other government services other than their Medicare and Social Security and their savings. They have been blocked out of a lot of these wonderful programs that are coming out for the elderly. What this project, and why it's unique, is that it affords somebody like a middle class person an opportunity and an affordable opportunity, not what's out there which is extraordinary Cadillac expense, a reasonable and wonderful environment to retire in. So I love this proposal specifically because it's inclusive.

22 MR. PETRO: Okay, very nice. Anybody  
23 in the back? I guess they are the FilBens so  
24 I know you like it.

25 MR. MANDELBAUM: Jonah Mandelbaum,

2 Warwick Property. As a developer in this  
3 area of over 1,200 affordable senior housing  
4 I want to actually add to what you said, we  
5 see as you just said before where one project  
6 over 300 people on the waiting list and we  
7 have those kind of waiting lists in all our  
8 projects. But those are qualified people at  
9 the certain income. We also see just as many  
10 people that just their income is just above  
11 what we can support and that kind of project  
12 can fit the bill exactly for people that  
13 over-qualify for our project. Also what we  
14 see is a lot of people in our project as an  
15 aging place and independent living is a  
16 little questionable, they cannot really take  
17 care of themselves all the time. A project  
18 like that the family calls where can we send  
19 our parents. And we try, there's not enough  
20 facilities in the area to send someone who  
21 the children are willing to pay the extra  
22 money to put them in a place like that where  
23 the parents stay local, the kids can still  
24 visit because it's close by but it's not, you  
25 know, that \$12,000 a month. I mean it's

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affordable for the family to pitch in and help because we see just as many people who don't qualify who would love to be in a place like this and we see it all the time. I mean we're having 1,200 units in this area and we have a waiting list and waiting list is just growing and growing and growing. It's not going to get any smaller. 2015 we're going to be 75 million seniors in America. Not all of them are poor. Some of them the middle income who cannot afford to live in a very expensive place that don't qualify for our locations but they'll definitely qualify for that particular project I think it's a great idea. I think it will help the community.

17 MR. PETRO: Very good. Ann Marie?

18 MS. MAGLIONE: Good morning, my name  
19 is Ann Marie Maglione, I'm the director of  
20 Office for the Aging in Orange County. I got  
21 together with R.J. and FilBen Group last week  
22 and we discussed this project and I read all  
23 the information and I was very, I was very  
24 impressed with it for a few reasons. I was  
25 really impressed with the care and the effort

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2 that they put into this project. They asked  
3 the questions that needed to be asked. They  
4 researched things. They went to the source,  
5 they asked the seniors, they asked me. I  
6 love that. There's not a lot of people that  
7 do that and I think it's important to go to  
8 them to find out what they want. I think  
9 they've done their homework on this. You  
10 know as everybody said it's the fastest  
11 growing population. It's going to keep being  
12 the fastest growing population. The baby  
13 boomers are here. And it's also at a time  
14 when our country is possibly in the worst  
15 fiscal crisis that it's been in since the  
16 great depression. So we have to be proactive  
17 in how we're going to provide housing for our  
18 seniors.

19 Our seniors of this generation are  
20 different from our seniors of past  
21 generations. They're younger, they're more  
22 active. They are more physically fit and  
23 they don't want to go into nursing homes.  
24 They want that to be the last option. And  
25 obviously for some people it is an option but

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2 it's got to be the last option.

3                   In Orange County we have about 69,000  
4                   seniors and it's growing and the fastest is  
5                   the 85 and older population. It's not  
6                   unusual for me to go to birthday parties  
7                   celebrating 100 years old, that's happening  
8                   more and more.

23                           The Wallkill hamlet is a wonderful  
24                           progressive project. It allows seniors to  
25                           not have a lot of assets to live well, to

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2 live in dignity and to age in place. And  
3 aging in place is really important. In New  
4 York State this is the big thing they want to  
5 age in place. They don't want to be moved  
6 around. They don't want to have to go to a  
7 different facility as their needs change and  
8 actually do any of us. Nobody would want to  
9 do that. So at the Wallkill hamlet you don't  
10 have to do that. It's a one stop shopping  
11 and you can transition into the life that you  
12 need again with dignity and respect.

17 You know another important point, and  
18 Jonah mentioned it, is that it's not just  
19 going to help the seniors it will help the  
20 children, you know. I'm a sandwich  
21 generation. Not everybody lives in the same  
22 neighborhood or town or city or even country  
23 in this global economy. So to know that your  
24 parents are safe and comfortable and happy,  
25 you know, I don't think there's a price for

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2                   that. So I absolutely endorse this. Thank  
3                   you.

4 MR. PETRO: Do you have anything else  
5 you want to add?

6 MS. MAGLIONE: No, I think that's it.

7 MR. LEE: Rob Lee, I am executive  
8 director of public relations and marketing  
9 for Orange Regional Medical Center. I'm here  
10 today to voice our support for the project,  
11 the Wallkill Partners project. As you know  
12 Orange Regional is building a new hospital in  
13 the Town of Wallkill. We are a  
14 not-for-profit hospital and our mission is to  
15 improve the health of our community by  
16 providing exceptional healthcare. Our 383  
17 bed hospital at 707 East Main Street is  
18 approximately one mile from this assisted  
19 living facility. The hospital, the new  
20 hospital will open in the summer 2011. It  
21 will really provide an enhanced level of care  
22 not only for Orange County but the entire  
23 region and certainly for the potential  
24 residents of this project.

In addition to various outpatient

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2 facilities in the County we operate a 100,000  
3 square foot medical pavilion, the Orange  
4 Regional Medical Pavilion on Crystal Run Road  
5 which is probably a half mile away from the  
6 project. We also operate a community health  
7 education center, diabetes treatment center,  
8 physical therapy, right across the street  
9 from the Pavilion. As has been said it's  
10 known that we are one of the fastest growing  
11 communities in the state and age and  
12 population is rapidly increasing. We  
13 recognize that as a medical provider and all  
14 of our data shows the same trend. This  
15 project provides a needed addition to the  
16 continuum of care a missing element. I know  
17 I talked to our case managers who are very  
18 excited about it because there are a portion  
19 of patients who need a certain level of care  
20 and they have a difficult time placing them.  
21 We strive every day to enhance the healthcare  
22 that we provide to the community and we ask  
23 that you help us make our region even  
24 healthier by supporting this project.

25 MR. PETRO: Very good. Anybody else?

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2 Public hearing? I'll take it back over. I  
3 just wanted to do a couple of things, one a  
4 very important, because I know I already said  
5 this, but this is the Orange County IDA.  
6 This is not the Tennessee IDA and the New  
7 Jersey IDA or the Pennsylvania IDA. We see  
8 if there's 25 cars building this project  
9 somewhere and they are all Tennessee license  
10 plates my phone is going to ring and it's a  
11 pain in the neck. So I really implore you  
12 and you know where I'm coming from to use  
13 local labor.

14 MR. SMITH: And they are already  
15 bidding it out local labor.

16 MR. PETRO: Local labor Orange County,  
17 that was number one. Number two, I lost my  
18 train of thought unfortunately. Something  
19 else that was important.

20 MR. MANDELBAUM: Let me add something  
21 while you're thinking. We all want to help  
22 the seniors and so on but also don't lose  
23 site that the construction jobs will be  
24 coming, the future jobs will be here for  
25 eternity and the money that will be coming to

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the local economy of Orange County forever.

3 MR. PETRO: The multiplier, that's  
4 correct.

23 I wanted to mention before that this  
24 is for a ten year pilot. The sales tax  
25 exemption and mortgage tax exemption and the

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2 issuance of the bonds that's why the  
3 applicant is here.

4 Is there any other comment from  
5 anybody that's here? This will be brought  
6 back to the IDA board. If you want to  
7 contact the office either Jimmy O'Donnell,  
8 Melanie I believe is there, you will be put  
9 back on the agenda and we will do a roll  
10 call. I will report back. They are going to  
11 read the minutes once she gets them done. I  
12 would suggest the April meeting so we have  
13 time to get this out to everybody so they can  
14 understand it. I make the agenda, when  
15 you're ready you will be on it.

16 MR. SMITH: Right, appreciate it.

17 MR. PETRO: It's that simple. The  
18 public hearing is now closed, thank you.

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

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THE FOREGOING IS CERTIFIED

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to be a true and correct transcription of the  
original stenographic minutes to the best of my  
ability.

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*Roberta Rourke*

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Roberta O'Rourke

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