

1 THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
2 STATE OF NEW YORK

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3 In The Matter of

4 Re: CITIVA MEDICAL LLC

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6 March 7, 2022  
7 10:00 a.m.  
8 Zoom Meeting

11  
12 B E F O R E: WILLIAM FIORAVANTI  
13 CEO OCNYIDA

22 FRANCES ROTH  
23 Court Stenographer  
24 168 North Drury Lane  
25 Newburgh, New York 12550  
Telephone (845) 566-1641

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

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4 WILLIAM FIORAVANTI  
5 CEO OCNYIDA  
6 4 Crotty Lane  
7 New Windsor, New York 12553

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7 ALSO PRESENT: Kelly Reilly  
8 Project Manager

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8 Dennis Brady  
9 Audio/Visual Consultant

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## CITIVA MEDICAL LLC

1 MR. FIORAVANTI: Good morning, my name is  
2 William Fioravanti, I'm the CEO of the Orange  
3 County Industrial Development Agency. I'm going  
4 to open the public hearing this morning, Monday,  
5 March 7, 2022 for Citiva Medical LLC. I'd like  
6 to first mention who is on the call currently,  
7 myself, Kelly Reilly, Project Manager for the  
8 OCIDA, Fran Roth is our stenographer and we have  
9 our audio-visual consultant, Dennis Brady, of 88  
10 Studios on as well. I'm going to ask that we  
11 rise for the Pledge of Allegiance.

12 (Whereupon, the Pledge of Allegiance was  
13 recited.)

14 MR. FIORAVANTI: I'd like to begin by  
15 reading the Public Notice for this hearing.  
16 Notice is given that a public hearing in  
17 accordance with foregoing and pursuant to Section  
18 859-a of the New York General Municipal Law will  
19 be held via Zoom on Monday, March 7, 2022 at  
20 10:00 a.m. local time in conjunction with the  
21 matter set forth below. The following project is  
22 the subject of this public hearing. Citiva  
23 Medical LLC, a New York limited liability company  
24 and iAnthus Empire Holdings, LLC, a New York  
25 limited liability company each for itself or on

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1       behalf of an entity to be formed collectively the  
2       Company, requested the Agency undertake a project  
3       known as the Project, consisting of the  
4       acquisition of a leasehold interest in  
5       approximately 8.5 acres of real property located  
6       at 75 John Hicks Drive, Warwick, New York, the  
7       Land, hereto known as the Land, improved by an  
8       existing approximately 30,000 square foot  
9       building, the Existing Building, the interior  
10      buildout of the Existing Building to be used as a  
11      headhouse and processing facility which will  
12      serve as the operational nerve center for  
13      manufacturing and processing activities, the  
14      construction of the first phase of the greenhouse  
15      consisting of approximately 38,000 square feet,  
16      known as the First Phase, with anticipated second  
17      phase consisting of the construction of an  
18      additional approximately 60,000 square foot space  
19      added to the greenhouse, known as the Second  
20      Phase to be used for the cultivation of cannabis  
21      plants, to provide safe access by patients to  
22      high quality medical cannabis products,  
23      collectively with the Existing Building known as  
24      the Facility. The acquisition and installation  
25      in and on the Facility of furniture, fixtures and

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1 equipment, known as the Equipment, and together  
2 with the Land and the Facility, the Project  
3 Facility, the granting of certain financial  
4 assistance in the form of exemptions from state  
5 and local sales and use tax and real property  
6 tax, collectively the Financial Assistance.  
7 Looking for anyone else joining us. The  
8 appointment of the Company or its designee as an  
9 agent of the Agency in connection with the  
10 acquisition, construction, equipping and  
11 completion of the Project Facility and the  
12 acquisition of an interest in the Land and  
13 Facility by the Agency pursuant to a sublease  
14 agreement and the acquisition of an interest in  
15 the Equipment pursuant to a bill of sale from the  
16 Company to the Agency and a sublease of the  
17 Project Facility back to the Company pursuant to  
18 a sublease agreement as necessary. The Company  
19 will be the initial manager/owner of the project.  
20 The Agency will at the above stated time now hear  
21 all persons with views with respect to the  
22 proposed Financial Assistance to the Company, the  
23 proposed owner/operator, the location of the  
24 Project Facility and the nature of the Project.  
25 A copy of the application filed by the Company

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1 with the Agency with respect to the project  
2 including an analysis of the costs and benefits  
3 of the project are available for public  
4 inspection during the business hours at the  
5 office of the Agency located here at 4 Crotty  
6 Lane, Suite 100, New Windsor, New York 12553 or  
7 on our website at [www.ocnyida.com](http://www.ocnyida.com). So I'd like  
8 to reference that having read the public notice  
9 that a cost benefit analysis is available here at  
10 the IDA headquarters or on our website, you go to  
11 [ocnyida.com](http://ocnyida.com), look at the menu on the top under  
12 active projects and search for Citiva,  
13 C-I-T-I-V-A and you'll be able to see the  
14 application for assistance, the cost benefit  
15 analysis and such. I would like to notify the  
16 public now that we're going to keep this public  
17 hearing open for the remainder of this week until  
18 Friday, we will resume it on Friday because we  
19 don't have a hundred percent verified tax PILOT  
20 specifics verified by the local assessor but  
21 various reasons, scheduling wise and such where  
22 we don't have the confirmed amounts and we want  
23 to keep the hearing open until we can give you  
24 the absolute solid amounts. I will let you know  
25 that we only received one letter after providing

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1 public notice about this public hearing inviting  
2 public comments in writing or in person virtually  
3 of course today. We received one letter and that  
4 was from the Town Supervisor of the Town of  
5 Warwick, Mr. Michael Sweeton and I'm going to  
6 read that letter now. We received it in March,  
7 it was dated March 2nd, I should say. Dear Mr.  
8 Fioravanti: I am writing in regards to the  
9 application of Citiva Medical LLC requesting  
10 sales tax exemptions and a PILOT agreement. A  
11 hearing is scheduled for March 7th, is scheduled  
12 for March 7th, and it's my understanding that the  
13 PILOT will only cover the new improvements going  
14 forward to completion of the project and not on  
15 what was already constructed. Based on this  
16 information, the Town would support the  
17 application with its commitment to provide 100  
18 good paying jobs with over 80 coming from the  
19 surrounding labor pool. Sincerely, Michael P.  
20 Sweeton, Town Supervisor. And just to comment on  
21 that, Mr. Sweeton is correct, the incentives that  
22 Citiva is requesting of the Orange County IDA are  
23 only for the condition of the property and the  
24 building that they've constructed, the shell of a  
25 building to date forward. Anything that has

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1 already been constructed, any building materials,  
2 any equipment, anything that was purchased will  
3 not be eligible for the sales tax exemption and  
4 the PILOT or property tax abatement or a phase-in  
5 of the new additional property taxes will only be  
6 on what the current value of the property is now  
7 after the improvements Citiva already made to  
8 this point and going forward, just to be clear,  
9 and that was Mr. Sweeton's understanding and his,  
10 of course he lends his full support given that.  
11 I'm going to talk further, no other letters or  
12 comments were submitted, I did just want to talk  
13 about the impacts of this project given our cost  
14 benefit analysis that we did. First of all, the  
15 project in total will create 187 jobs, \$15  
16 million in earnings, local spending of \$42  
17 million, direct jobs 100 jobs, indirect 64, total  
18 earnings between direct and indirect of  
19 \$164,289,293. Let's see, also cost to benefit  
20 ratio, now this is just on the sales tax  
21 exemptions, not on the proposed 50 year PILOT,  
22 again we will confirm those figures when we have  
23 a completed confirmed analysis, but the benefit  
24 of the sales tax being provided, the local cost  
25 is \$1,004,792, the local benefit received as a



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1 result of this project is \$161,601,437, so that  
2 is a benefit to cost ratio of 161 to one, of  
3 course it's good when the first number is higher,  
4 that's the benefit to the cost 161 to one. At  
5 the state level there aren't as many state  
6 benefits, the cost to the state is \$1,148,333,  
7 again, that's just on sales tax exemption, the  
8 state portion, the benefit to the state is  
9 \$8,352,118 and that is a cost, I'm sorry, benefit  
10 to cost ratio for the state of seven to one,  
11 overall the cost of the project, I'm sorry, the  
12 cost of the incentives being awarded are  
13 \$2,153,125, the total benefit, grand total local  
14 and state is \$169,953,555, that is a grand total  
15 for both local and state benefit to cost of 79 to  
16 one. So you see just on sales tax exemption  
17 alone the impact and why the IDA would consider,  
18 the IDA board would consider authorizing these  
19 benefits. Again, the PILOT is a 15 year proposed  
20 PILOT, we don't have confirmed numbers so we're  
21 going to represent those and post those to our  
22 website as soon as possible. I'm still, there  
23 are no other, not seeing any hands for any  
24 additional comments. We do have, we are remiss  
25 in not mentioning representing Citiva we have

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1 Sean Barravecchio, he is available to provide any  
2 other comments. But right now that's all we have  
3 at the moment, we have no other comments, I'm not  
4 seeing anyone else present. We're going to keep  
5 this public hearing open but we're going to end  
6 the Zoom session now. You can continue to send  
7 comments to the IDA or reappear, we're going to  
8 resume this hearing on Friday and the date on  
9 that just to verify is Friday, the 11th at 10:00  
10 a.m. we will resume this public hearing, hear any  
11 additional comments we have and at that point we  
12 will close it. But thank you all for joining us  
13 and we will be back on Friday. Thanks very much.

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16 (Proceedings concluded at 10:12 a.m.)

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## CONTINUATION OF CITIVA PUBLIC HEARING

19  
20 ON FRIDAY, 3/11/22

21 MR. FIORAVANTI: Good morning everyone,  
22 welcome to the resumed public hearing for Citiva  
23 Medical LLC. My name is Bill Fioravanti of the  
24 Orange County Industrial Development Agency. We  
25 are resuming this public hearing that began on

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1 Monday. Now that the cost benefit analysis has  
2 been complete, that's in addition to receiving  
3 any other public comment that's the main priority  
4 for this resumed hearing is to make sure that the  
5 public is aware of that. That information is on  
6 our website and I'll clarify all that in a  
7 moment. Let's start this morning though by the  
8 Pledge of Allegiance, please, please stand and  
9 I'll lead us in the Pledge.

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

12 MR. FIORAVANTI: Thank you. Let me just  
13 announce really who our attendees are. Again, my  
14 name is Bill Fioravanti, I'm the Chief Executive  
15 Officer of the IDA, Kelly Reilly, our Project  
16 Manager is also present with us, Fran Roth is our  
17 stenographer. We also have Dennis Brady, our AV  
18 Consultant. We have a few board members I really  
19 appreciate being on here as well, Mr. Noel  
20 Spencer, Mr. Robert Kennedy. We also have  
21 representing the applicant, Citiva Medical LLC,  
22 we have Sean Baravecchio and Colleen Hughes,  
23 thank you for joining us. If necessary, Shawn  
24 and Colleen, I don't know that we'll need to hear  
25 from you but if there are any comments that we

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1 feel that when we're done need to be responded to  
2 I'll ask you for that. But I will remind you I'm  
3 not going to read the entire public notice, but I  
4 will remind you that this is a project for Citiva  
5 Medical LLC to be located at 75 John Hicks Drive  
6 in Warwick, New York, a 30,000 square foot  
7 building that would be used for cannabis  
8 manufacturing and production, it is at the  
9 Warwick Tech Park that the IDA has played a key  
10 role in. The applicant is looking for sales tax  
11 exemption and a 15 year property tax abatement.  
12 We have not received any other public comment  
13 yet. I'm going to read the cost benefit  
14 analysis, just the highlights of it and then I  
15 will look for any comments that are remaining and  
16 that's really mostly what we have. Let me just  
17 pull that up. So the cost benefit analysis we  
18 did based upon an estimated, the sales tax  
19 exemption requested and the estimated property  
20 tax abatement schedule. The final cost benefit  
21 analysis produced the following facts. We are  
22 talking about a local benefit, well, sorry, start  
23 with the property tax exemption, the value of  
24 that benefit is \$6,585,207, discounted it's  
25 \$5,839,559. The sales tax exemption, the value

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1 of that exemption both nominally is not  
2 discounted in this analysis, \$2,153,125, and  
3 that's the split of that. As most people know,  
4 that sales tax is split between local, county and  
5 the state, the local share of that is \$1,004,792,  
6 and the state portion of the sales tax exemption  
7 is the benefit value is \$1,148,333, pardon me.  
8 So the, thanks to payroll, thanks to construction  
9 labor, other financial multipliers, the total  
10 benefit of the project, economic impact is a  
11 grand total of \$175,393,964. The split between  
12 local and state is a local benefit of  
13 \$167,041,846 and the state benefit of, I'm sorry,  
14 yeah, the state benefit value of \$8,352,118. The  
15 total cost, locally the total cost, grand total  
16 is \$7,992,684, \$6.8 million being local, \$1.15  
17 million being state, and that equates to benefit  
18 to cost a grand total a ratio of 22 to one,  
19 benefit to cost, again, benefit grand total  
20 \$175 million to just under \$8 million and locally  
21 it's a 24 to one benefit to cost, \$167 million  
22 benefit and \$6.8 million in costs. So that is  
23 the economic analysis. The cost benefit analysis  
24 we have calculated in conjunction with the Orange  
25 County Real Property Department, we want to thank

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1           them for their work in developing this. I just  
2           want to repeat that this information, both the  
3           PILOT schedule or model for the 15 year requested  
4           PILOT as well as this, all the details of this  
5           cost benefit analysis are available on the Orange  
6           County Industrial Development Agency website,  
7           that is [www.ocnyida.com](http://www.ocnyida.com), [ocnyida.com](http://ocnyida.com). There's a  
8           menu at the top, you look for active projects,  
9           look for Citiva Medical and all the documents,  
10          the public hearing notice for this hearing is in  
11          there, the cost benefit analysis, the original  
12          application and again PILOT schedule so all the  
13          details are in there. These documents are also  
14          available at the IDA headquarters at 4 Crotty  
15          Lane in New Windsor. Please contact us if you'd  
16          like to come over and look at those documents  
17          please, any time. Okay, lastly, I'd like to look  
18          for any further comments before we close the  
19          public hearing.

20                 MS. LANCELOTI: Just brief, Bill.

21                 MR. FIORAVANTI: Yes please, please state  
22          your name and please go ahead with your comments.

23                 MS. LANCELOTI: My name is Kaitlyn  
24          Lancellotti and I am the Director of Business  
25          Expansion and Retention with the Orange County

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1 Partnership. I'm just here to speak briefly and  
2 say that we are in support of the project, with  
3 the cost benefit that Bill just laid out and the  
4 amount of capital investment that this project  
5 would bring not only to Warwick but to Orange  
6 County and the Hudson Valley region and it really  
7 ties into what Governor Hochul is doing with all  
8 the changes with recreational marijuana and the  
9 ability to create jobs for those who previously  
10 might not have been able to get them. So we are  
11 of course in support of this since we're in  
12 support of what all the local labor and all those  
13 policies would entail and just wanted to say that  
14 brief little comment and thank you guys for your  
15 time.

16 MR. FIORAVANTI: Very good, thank you,  
17 Katie, we appreciate that. Would anyone else  
18 like to make comment? Okay, hearing none, we're  
19 going to close the public hearing for Citiva  
20 Medical LLC at 10:10 a.m. on Friday, March 11,  
21 2022. Thank you all for participating. Again,  
22 if anyone wants further information on this  
23 project, you can refer to our website,  
24 ocnyida.com or contact us at the IDA and come  
25 visit us at 4 Crotty Lane. But thank you all for

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your participation, have a good day and weekend.

Thanks very much.

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

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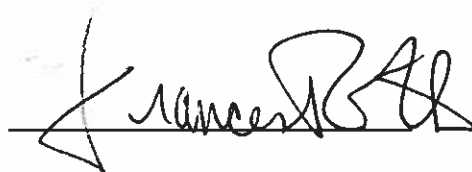


## C-E-R-T-I-F-I-C-A-T-I-O-N

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

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

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



FRANCES ROTH