



Empowering Businesses. Inspiring Growth

**Robert T. Armistead, Chairman • Mary Ellen Rogulski, Vice Chairman • John Steinberg, Jr., Second Vice Chairman
Stephen Brescia, Secretary • Henry VanLeeuwen, Assistant Secretary • Robert J. Schreiber, Sr. • Edward A. Diana
James R. Petro, Jr, Executive Director • Laurie Villasuso, Chief Operating Officer •
Kevin Dowd, Attorney • Joel Kleiman, Chief Financial Officer**

Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on June 9, 2016 at 2:00 p.m. at the Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, New York, to consider and/or act upon the following:

Order of Business

- **Roll Call**
- **Approval of the minutes from June 9, 2016 meeting**
- **Financial Reports and/or Requests for Payments**
- **New and Unfinished Business**
 - Chairman's Report
 - Executive Director's Report
 - Chief Operating Officer Report
 - The Accelerator Report
 - OCP Report
 - Discussions
- **Applications/Resolutions**
 - Merlin Entertainments Group US Holdings Inc.
 - Application Presentation and Review
 - Initial Resolution
 - Alto Music – Initial Resolution
 - Application Presentation and Review
 - Initial Resolution
 - Resolution for the Purchase of Real Property
- **Such other and further business as may be presented**
- **Public Comments**
- **Executive Session**
- **Adjournment**

Dated: June 29, 2016

Stephen Brescia, Secretary

By: James R. Petro, Jr., Executive Director

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES

June 09, 2016

A regular meeting of the Orange County Industrial Development Agency was convened in public session on June 09, 2016 at 2:03P.M. at the Orange County Business Accelerator in New Windsor, New York.

The meeting was called to order by the Chairman, Robert Armistead, and upon roll being called, the following were:

PRESENT: Robert Armistead, Stephen Brescia, Robert Schreiber, John Steinberg,
Edward Diana, Mary Ellen Rogulski, Henry VanLeeuwen

ABSENT: None

ALSO PRESENT: James Petro – Executive Director
Laurie Villasuso – Chief Operating Officer
Joel Kleiman – Chief Financial Officer
Kevin Dowd – IDA Attorney
Russell Gaenzle – Harris Beach
Bill Fioravanti – Orange County Partnership
Maureen Halahan – Orange County Partnership
Melanie Schouten – Galileo Technology Group
Vincent Cozzolino – Galileo Technology Group
Brian Gates – HVEDC
Steve Neuhaus – Orange County Executive
Josh Sommers – Focus Media
James Walsh – Time Herald Record
John Jordan – CIC
Chris Cerone – Local 17/ HVBCTC
Lou Heimbach - SWF

Robert Armistead calls to order the regular meeting of the Orange County IDA, June 09, 2016 (Pledge of Allegiance is recited). Board consists of seven members. There is a quorum.

Minutes

Review of the prior May 12, 2016 meeting minutes. Motion to approve the minutes is made by Mrs. Rogulski, seconded by Mr. VanLeeuwen. Motion carries with all in favor.

Financial Reports and/or Requests for Payment

Mr. Kleiman reviews the summary of IDA bank accounts, certificate of deposits, and money market accounts that reflect a total of \$10,165,109, as of May 31, 2016.

It is anticipated that the IDA will receive some large payments by the end of June. Those funds will initially be deposited in the checking account, temporarily moved to the money market accounts for a higher rate of interest, and when the CD matures at the end of the summer the money will be reallocated as seen fit. The CPV payments of \$600,000 for the IDA and \$250,000 for OCFC, the Warwick Valley Payment of \$170,000, and the Matrix payment of approximately \$370,000 are those anticipated funds.

Mr. Kleiman reviews the income and expense summary, noting that YTD balance is \$54,403, and YTD expenses are \$163,444, with expenses exceeding revenues by \$109,041.

Mr. Kleiman reviews the income and expense summary for the Business Accelerator, noting that revenue balance is \$79,417, expenses are \$418,128. Expenses, as anticipated, exceed revenues by \$338,710.

Lastly, Mr. Kleiman reviews receipts and vouchers for the month. There is a total of \$230,426.97 to be approved by the board.

Chairman Armistead asks for a motion to approve the vouchers and payments in the amount of \$230,426.97. Motion made by Mrs. Rogulsko, seconded by Mr. VanLeeuwen, that the Board accepts the financial reports and authorize IDA payments and vouchers. Open for discussion. Affirmative votes of all members present resulted in motion carried.

Executive Session

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(h) of the open meetings law to discuss the appointment of particular corporations as monitors of the IDA's local labor policy. Motion made by Mr. VanLeeuwen to enter executive session issued. Motion seconded by Mrs. Rogulski. All in favor.

Executive Session

The members discuss the appointment of particular corporations as monitors of the IDA's local labor policy.

End of Executive Session

Due to the recommendation of the Governance Committee, a motion is made by Mr. Brescia to engage the services of Fellenzer Enengineering, LLP and Loewke Brill Consulting Group, Inc to assist the IDA in monitoring its local labor policy relative to projects receiving IDA benefits. The Motion is seconded by Mr. Diana.

Roll call is taken.

Mrs. Rogulski votes yes.

Mr. Steinberg votes yes.

Mr. Brescia votes yes.

Mr. VanLeeuwen votes yes.

Mr. Schreibeis votes yes.

Mr. Diana votes yes.

Mr. Armistead abstains.

The motion carries with 6 ayes and 1 abstention.

Chairman's Report

Mr. Armistead compliments the IDA committee that assisted with the interviewing and vetting of the auditing companies. He thanks publicly those firms that applied for the position. The committee did a great job and the board has a great approach on how to move forward with the auditing process.

He updates the board on The Accelerator staffing needs. With all the work that is going on, it keeps getting busier and busier. The current staff is here at all hours. He has requested that Mrs. Villasuso, Mr. Cozzolino, and The Accelerator Committee look at the staffing needs of The Accelerator. This topic will be discussed further later in the meeting.

Executive Director Report

Mr. Petro states that the public hearing for the Allstate Fabrication Project was held earlier this week. Besides the IDA staff only the owners and their attorney attended the hearing. It went well. They had requested a 15-year PILOT on

their initial application. Due to the nature of the project, they were informed that a 10-year PILOT is appropriate and the owners accepted.

Since the airport land in New Windsor is now available for purchase, a lot of interest has been shown. Companies are reaching out with requests both on the land and for IDA benefits. Additionally, due to some of the companies need land beyond the airport. It has been very busy and will hopefully lead to something positive.

Mr. Armistead states he has been receiving some negative feedback from the tax payers on 15 year PILOTs. Though the IDA hasn't offered a 15-year PILOT in a while, he feels that the 10 year PILOT is the best option.

It is discussed and agreed upon by the board that applicants are informed in advance that to receive a 15-year PILOT, the project must be exceptional, and produce a great deal of jobs and local growth. This was decided when the current PILOT program was initially created.

Chief Operating Officer Report

Ms. Villasuso states that currently the IDA handles its own Public Relations. During the Governance Committee meeting, there was discussion regarding retaining Focus Media to handle the IDA Public Relations for a 3-month trial period. The Governance Committee recommends that the Focus Media proposal be accepted.

Motion was made by Mr. Brescia, seconded by Mr. VanLeeuwen, to retain Focus Media to handle IDA Public Relations. Roll call is taken. Affirmative votes of all members present resulted in motion carried.

Mr. Armistead states that a lot of people don't understand what the IDA does. It is generally thought that the IDA just hands out money, and the assistance of Focus Media will be appreciated.

Mrs. Villasuso states she attended the New York States Annual Economic Development Conference at the end of May. The IDA section discussed the best practices throughout the State in terms of the application and documentation process. The Orange County IDA is ahead of the curve as those changes have already been implemented. The conference also talked about the new legislation that is requesting prevailing wage requirements for those companies asking for IDA benefits. As every IDA is nervous about that change and how it would affect local development writing and reaching out to the local assembly people and Senators is being encouraged.

Ms. Villasuso and Mr. Cozzolino visited CPV in May and discussed the education they do with the local school districts. There is interest in working with them on their supply chain to hire locally for any needs they might have that aren't already vetted out and see if any connections can be made as a result of their education program.

The Accelerator Report

Mr. Cozzolino passes out the article written by Mr. Walsh, of the Times Herald Record, about the women owned businesses located at The Accelerator. Those companies that weren't interviewed by Mr. Walsh, gave testimonials to Focus Media, the Accelerator's PR company.

Mr. Cozzolino reviews Incubator progress. IKRC is looking to hire 4 additional programmers. Home into Haven is hiring its first 2 employees in the next month or so. Unshattered exceeded its 2015 revenues, and now has 5 fulltime employees.

The Accelerator has hosted 2 sewing classes. The second is currently taking place, and The Accelerator staff is looking to get the students jobs once they graduate from the program.

There is a large percentage of minority and women owned businesses currently at The Accelerator, as mentioned in the Times Herald Record Article. This was not originally a goal or focus of The Accelerator and occurred organically.

The company Active Ventilation just purchased the building they reside in, and are looking to hire additional staff. They are working with The Accelerator staff to create efficiency in their business. Some of this efficiency will result from organized employee training hosted by The Accelerator for them and other companies in the area with similar needs. In addition, Active Ventilation would like to get ahead of the curve and raise employee salaries.

Mr. Cozzolino discusses the Bottling Pod expansion, expanding The Accelerator to additional county locations, and new PODs under development such as the Computer/Technology POD.

The Food Manufacturing Conference is being held on June 17 with a keynoted speaker specializing in Food Safety. The Accelerator is collaborating with OCP, TSEC, HVADC, and OCCO to host this event. Local companies that have contributed to the Food Sector in the region will be honored. The Accelerator is working on developing a Food Safety Lab and that will be announced during the Conference.

Ms. Villasuso states that the insurance needs of The Accelerator have been updated to meet the needs of the onsite work and equipment. As a result, the management contract with Galileo Technology Group has been revised to include the proper training of clients on the equipment and the record keeping of equipment maintenance.

A Motion is made by Mr. VanLeeuwen, seconded by Mrs. Rogulski, approving the revision of the Galileo Technology Group management contract. Affirmative votes of all members present resulted in motion carried.

OCP Report

Ms. Halahan reviews the Hot Topics. The MVP had about 400 attendees on hand to honor the Town of Walkkill. Legoland has confirmed their desire to site Legoland water park in the Town of Goshen. The Goshen Chamber Breakfast is June 16, 2016 at the Town Hall Webster Ave location.

OCP has made the cut for the Site Selectors Guild Fall Forum in Oct. 24-26, 2016.

Round 6 of the NYS Mid-Hudson EDC's CFA process is underway. The scoring of applications and award selection will be taking place soon.

As of June 6, the Downtown Revitalization Initiative was scored by the voting members of the Mid-Hudson Regional Council. There is 10 Million dollars at stake and grading criteria included proposals that address job growth, quality of life, size and scope of the project, and past and future investment potential.

The OCP Annual Event Speaker is Alan Valdes, Chairman of the NYSE.

Mr. Fioravanti reviews the attraction and expansion updates. As of June 8, 2016 there are 34 leads. Amy's Kitchen has secured municipal water and sewer from the city of Middletown and is close to submitting their Final Environmental Impact Statement to the Town of Goshen Planning Board. Project Rosewater, a manufacturer of syrups, extracts and candies has agreed in principle to build a 50,000+ square foot production facility at Warwick Tech Park. 40+ jobs anticipated. Project lift, a NYC based crane company is pursuing properties in the Town of Newburgh and Port Jervis. 25+ jobs are anticipated. Packing Plant on Rails, Major produce packing company interested in OC owned property in Hamptonburgh. Project AC/DC, out-of-state company the reconditions auto batteries is targeting an industrial building on rail in the city of Middletown. 20+ jobs are anticipated.

Mr. Fioravanti reviews the new and retained jobs update. As of June 8, 2016 there are 509 potential new and retained jobs. Project Breakout, a major manufacturer seeking to go vertical, consolidate out-of-state locations under one roof. Planning 350,000 on sf on rail. 100 jobs are anticipated. Project Blanket, food manufacturer looking to expand 35,000 sf and add 57 jobs. Project Nutra, neutral-ceutical manufacturer found 20,000 sf location to locate its new business line of nutritional supplements and products. Employing 6-12 people initially. Piller USA Inc. will be hosting a ribbon cutting ceremony on Friday June 10th at 11am at their new facility in the Town of Walkkill.

Discussions

Mr. Armistead welcomes the Chairman of the Stewart Airforce Commission, Mr. Heimbach.

Mr. Heimbach states he is happy to have an alliance between Stewart Airforce and the Orange County IDA to help boost the local economy. A current goal is to boost the amount of flights in the region to support the local industries and growing population. One of the main reasons there are less flights out of Stewart was the removal of the dirty emission planes. This resulted in fewer planes and with less flight opportunity planes were redirected to more lucrative routes.

Mr. Armistead states that the IDA does have interest with the Port Authority due to some real estate transactions. Hopefully with strength in numbers something can be accomplished.

Resolutions

Mr. Dowd reads aloud the Allstate Fabrication Final Resolution. Motion is made by Mr. VanLeeuwen, seconded by Mr. Schreibeis, accepting resolution to take action on certain matters pertaining to a proposed project for the benefit of Allstate Fabrication. Affirmative votes of all members present resulted in motion carried.

Such other and further business as may be presented

No such other and further business was presented.

Public Comments

No public comments were presented.

Executive Session

Chairman Armistead states with no further comments the board will move into Executive Session.

Chairman Armistead entertains a motion that the committee enter into executive session pursuant to section 105(1)(h) of the open meetings law to discuss the purchase of real property, litigation, and the employment history of persons employed by the IDA. Motion made by Mr. Schreibeis to enter executive session issued. Motion seconded by Mr. VanLeeuwen. All in favor.

Executive Session

The members discuss the purchase of real property, litigation, and the employment history of persons employed by the IDA.

End of Executive Session

With no further business, meeting called for adjournment by Chairman Armistead, motion made by Mr. VanLeeuwen, seconded by Mr. Schreibeis, the time being 5:10 p.m.

James R. Loeb
Richard J. Drake, *retired*
Glen L. Heller*
Marianna R. Kennedy
Gary J. Gogerty
Stephen J. Gaba
Adam L. Roidl
Dominic Cordisco
Timothy P. McElduff, Jr.
Ralph L. Puglielle, Jr.
Nicholas A. Pascale

Lisa M. Card
Alana R. Bartley
Aaron C. Fitch
Juliana O'Grady

Jennifer L. Schneider
Managing Attorney

*LL.M. in Taxation

June 29, 2016

BY EMAIL AND HAND DELIVERY

Orange County Industrial Development Agency
4 Crotty Lane, Suite 100
New Windsor, New York 12553

Re: LEGOLAND NEW YORK – Initial Application

Dear Chairman Armistead and Board Members:

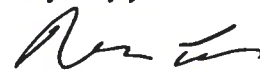
It is my privilege to submit this application on behalf of Merlin Entertainments Group US Holdings, Inc. for the construction of the LEGOLAND New York park and hotel and related amenities in the Town of Goshen. The park, to be built in two phases, will include rides and attractions, an aquarium, theaters, restaurants, a hotel and various back of house facilities.

Merlin Entertainments' initial investment prior to opening day will cost \$350,000,000, and by year five after opening the investment is expected to reach \$500,000,000. Not including construction jobs, after opening LEGOLAND New York will employ 500 full time employees and 800 part time employees.

To support a project in Orange County with these economic benefits, Merlin Entertainments seeks a Payment in Lieu of Taxes agreement for a term of thirty years.

I enclose my firm's check representing the initial application fee of \$5,000. We request to be placed on the next available agenda for the review of the application. If you have any questions or comments, please feel free to contact me. Thank you.

Very truly yours,



DOMINIC CORDISCO



Empowering Businesses. Inspiring Growth.

APPLICATION FOR FINANCIAL ASSISTANCE

Merlin Entertainments Group US Holdings Inc.

(Applicant Name)

**Robert T. Armistead
Chairman**

Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553

Phone: 845-234-4192 Fax: 845-220-2228

www.ocnyida.com

business@ocnyida.com

Updated April 2016

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: Merlin Entertainments Group US Holdings, Inc.

Mailing Address: One LEGOLAND Drive, Carlsbad, CA 92008

Phone No.: 1 (760) 918 - 5346

Fax No.: 1 (760) 918 - 5408

Fed Id. No.: 83-0433231

Contact Person: John Ussher

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

N/A

Corporate Structure (*attach schematic if applicant is a subsidiary or otherwise affiliated with another entity*)

See attached

Form of Entity

Corporation

Date of Incorporation: 6/29/2005

State of Incorporation: Delaware

Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____

Date of formation _____

Jurisdiction of Formation _____

Limited Liability Company/Partnership (number of members _____)

Date of organization: _____

State of Organization: _____

Sole Proprietorship

D) Zoning of Project Site: Current: RU Proposed: CR/RU

E) Are any variances needed? No

F) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations.

G) Statement describing project (i.e. land acquisition, construction of manufacturing facility, etc.):

The proposed Action involves the construction of a +/-153 acre LEGOLAND Park and Hotel and related amenities. The park, to be built in phases, will include rides and attractions, an aquarium, theaters, restaurants, a hotel and various back of house facilities including offices and staff areas as well as associated parking and drainage facilities. Site access will be from Harriman Drive. The Project Sponsor proposes to seek public water and sewer services from the Village of Goshen.

H) Principal use of project upon completion:

- | | | | |
|--|--|-----------------------------------|--------------------------------------|
| <input type="checkbox"/> manufacturing | <input type="checkbox"/> warehousing | <input type="checkbox"/> research | <input type="checkbox"/> offices |
| <input type="checkbox"/> industrial | <input checked="" type="checkbox"/> recreation | <input type="checkbox"/> retail | <input type="checkbox"/> residential |
| <input type="checkbox"/> training | <input type="checkbox"/> data process | <input type="checkbox"/> other | |

If other, explain: N/A.

I) Estimated Project Costs, including:

Value of property to be acquired:	<u>See attached chart.</u>
Value of improvements:	<u>\$214.3m</u>
Value of equipment to be purchased:	<u>\$39.5m</u>
Estimated cost of engineering/architectural services:	<u>\$24.9m</u>
Other:	<u>\$47.6m</u>
Total Capital Costs:	<u>\$326.2m</u>
Project refinancing; estimated amount (for refinancing of existing debt only)	\$0
<i>Sources of Funds for Project Costs:</i>	
Bank Financing:	\$350,000,000
Equity (excluding equity that is attributed to grants/tax credits)	\$0
Tax Exempt Bond Issuance (if applicable)	\$0
Taxable Bond Issuance (if applicable)	\$0
Public Sources (Include sum total of all state and federal grants and tax credits)	\$ _____

Identify each state and federal grant/credit:

<u>State Empire Grant</u>	\$ <u>6,000,000</u>
_____	\$ _____
_____	\$ _____
_____	\$ _____

Total Sources of Funds for Project Costs: \$ 6,000,000

J) Inter-Municipal Move Determination

Will the project result in the removal of a plant or facility of the applicant from one area of the State of New York to another?

Yes or No

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area of the State of New York?

Yes or No

Will the project result in the abandonment of one or more plants or facilities located in the State of New York?

Yes or No

If Yes to any of the questions above, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

N/A.

Project Data

1. Project site (land)

(a) Indicate approximate size (in acres or square feet) of project site.

523 acres

(b) Are there buildings now on the project site?

No.

(c) Indicate the present use of the project site.

Agricultural Land

(d) Indicate relationship to present user of project.

Land is currently not used. The applicant is the contract vendee of the parcels comprising the site.

2. Does the project involve acquisition of an existing building or buildings? If yes, indicate number, size and approximate age of buildings:

No.

3. Does the project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings:

Yes. Approximately 70 new buildings with a total GFA (gross floor area) of 620,000 square feet.

4. Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation:

No.

5. What will the building or buildings to be acquired, constructed or expanded be used for by the company? (Include description of products to be manufactured, assembled or processed, and services to be rendered.

The buildings to be constructed will be used for entertainment in a LEGOLAND theme park geared towards families with children aged 2 to 12. The park, to be built in phases, will include rides and attractions, an aquarium, theaters, restaurants, a hotel and various back of house facilities including offices and staff areas as well as associated parking and drainage facilities.

. . .including the percentage of building(s) to be used for office space and an estimate of the percentage of the functions to be performed at such office not related to the day-to-day operations of the facilities being financed.)

0% (zero) of the office space will be used for functions not related to the day-to-day operations of the facilities being financed.

6. If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant.

None.

7. List principal items or categories of equipment to be acquired as part of the project.

Amusement Ride Hardware
IT Equipment
General FF&E

8. Has construction work on this project begun?

Complete the following

(a) site clearance	Yes	No	0% complete
(b) foundation	Yes	No	0% complete
(c) footings	Yes	No	0% complete
(d) steel	Yes	No	0% complete
(e) masonry work	Yes	No	0% complete
(f) other (describe below)	Yes	No	0% complete

III. FINANCIAL ASSISTANCE REQUESTED

A) Benefits Requested:

Sales Tax Exemption IRB MRT Exemption Real Property Agreement

B.) Value of Incentives:

IDA PILOT Benefit: Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted under the heading "Real Property Tax Benefit (Detailed)" of the Application.

Estimated duration of Property Tax exemption: 30 years

Sales and Use Tax:

Estimated value of Sales Tax exemption for facility construction: \$10.0m

Estimated Sales Tax exemption for fixtures and equipment: \$3.5m

Estimated duration of Sales Tax exemption: 30 years

Mortgage Recording Tax Exemption Benefit:

Estimated value of Mortgage Recording Tax exemption: \$ _____

IRB Benefit:

IRB inducement amount, if requested: \$ _____

Is a purchaser for the Bonds in place?

Yes or No

Percentage of Project Costs financed from Public Sector sources:

Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above under the heading "Estimated Project Costs" (Section II(I)) of the Application.

C.) Likelihood of Undertaking Project without Receiving Financial Assistance

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

Yes or No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

The Project could not be undertaken without Financial Assistance provided by the Agency.

IV. EMPLOYMENT PLAN

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	1	1	500	490
Part Time (PTE)	0	0	800	800
Total	1	1	1300	1290

** For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes Orange County and the surrounding region (or six other contiguous counties, including Orange County, chosen at the Agency's discretion).

Salary and Fringe Benefits for Jobs to be Retained and/or Created:

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	Avg salary range from 75K to 100K	Full time staff receive generous benefits including paid time off, 401(k) match of 4%, comprehensive medical/dental and vision plans. Additional benefit costs average 25 to 40% of salary.
Professional	Avg Salary range from 50K to 90K	Full time staff receive generous benefits including paid time off, 401(k) match of 4%, comprehensive medical/dental and vision plans. Additional benefit costs average 25 to 40% of salary.
Administrative	Avg Salary range from 40K to 70K	Full time staff receive generous benefits including paid time off, 401(k) match of 4%, comprehensive medical/dental and vision plans. Additional benefit costs average 25 to 40% of salary.
Production	Avg Salary range from 15 to 20 per hour	Full time staff receive generous benefits including paid time off, 401(k) match of 4%, comprehensive medical/dental and vision plans. Additional benefit costs average 25 to 40% of salary.
Independent Contractor	None	N/A
Other	Front line customer service roles are generally paid at an hourly rate above minimum wage/market rate to attract quality staff.	Full time staff receive generous benefits including paid time off, 401(k) match of 4%, comprehensive medical/dental and vision plans. Additional benefit costs average 25 to 40% of salary.

III. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor

Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.

- B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JPTA Entities for new employment opportunities created as a result of the proposed project.
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.
- D. Annual Sales Tax Filings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.
- E. Annual Employment Reports: The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- F. Compliance with N.Y. GML Sec. 862(1): Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:
- § 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.
- G. Compliance with Applicable Laws: The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- H. False and Misleading Information: The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an

amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

- I. Recapture: Should the Applicant not expend or hire as presented, the Agency may view such information/status as failing to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.
- J. Absence of Conflicts of Interest The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

The Applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss.:

Brian Shaw, being first duly sworn, deposes and says:

- 1. That I am the GROUP FINANCE DIRECTOR (Corporate Office) of MEDIA ENTERTAINMENTS GROUP (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant.
- 2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.



(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 29 day of June, 2016



(Notary Public)

This Application should be submitted to the Orange County Industrial Development Agency, c/o Robert T. Armistead, Chairman, Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, NY 12553.

The Agency will collect an administrative fee at the time of closing.
SEE ATTACHED FEE SCHEDULE

Transaction Counsel
CHARLES SCHACHTER, ESQ./
RUSSELL GAENZLE, ESQ.
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Tel: (585) 419-8633
Fax: (585) 419-8817

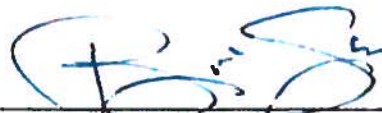
Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

Attach the following Financial Information of the Company

1. Financial statements for last two fiscal years (unless included in company's Annual Reports).
2. Company's annual reports (or Form 10-K's) for the two most recent fiscal years.
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any.
4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company.

HOLD HARMLESS AGREEMENT

Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in processing of the Application, including attorneys' fees, if any.



(Applicant Signature)

By: BRIAN SHAW

Name: _____

Title: GROUP FINANCE DIRECTOR



(Notary Public)

Sworn to before me this 29 day

[stamp]

of June, 2016

CURRENT TAX REVENUE FROM THE LEGOLAND NEW YORK PROJECT SITE (2016 MUNI / 2015 GCSD)

TAX ID	Current Owner	2016 Assessed Value	2016 MUNICIPAL (County, Town, Highway, Part Town and Goshen Fire)	2015 GCSD	TOTAL
11-1-45	PC Reservoir LLC	\$575,000	\$31,085.33	\$20,354.51	\$5,1439.84
11-1-46*	Goshen Land Owner LLC	\$149,400	\$1,560.91	\$3,671.92	\$5,232.83
15-1-59*		\$238,400	\$1,599.96	\$3,763.78	\$,5363.74
11-1-47	Brian Carey and Joan Marie Carey	\$174,900	\$2,631.90	\$6191.31	\$8,823.21
11-1-58	Fini Bros.	\$177,800	\$2,675.54	\$6293.97	\$8,969.51
11-1-49.2		\$226,500	\$3,369.49	\$7,986.43	\$11,355.92
11-1-62	Town of Goshen	\$16,300	\$0	\$0	\$0
11-1-63		\$400	\$0	\$0	\$0
11-1-64		\$700	\$0	\$0	\$0
11-1-65		\$19,200	\$0	\$0	\$0
11-1-66		\$1,100	\$0	\$0	\$0
11-1-67		\$6,700	\$0	\$0	\$0
11-1-68		\$2,000	\$0	\$0	\$0
11-1-69		\$1,800	\$0	\$0	\$0
TOTALS:		\$1,590,200	\$42,923.13	\$48,261.92	\$91,185.05

* Lots currently subject to an Agricultural Exemption

Real Property Tax Benefits (Detailed):

** This section of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
TOTAL							

*Estimates provided are based on current property tax rates and assessment values

Cost Benefit Analysis:

To be completed/calculated by AGENCY

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
*Estimated Sales Tax Exemption	\$ _____	New Jobs Created Permanent ____ Temporary ____
		Existing Jobs Retained Permanent ____ Temporary ____
Estimated Mortgage Tax Exemption	\$ _____	Expected Yearly Payroll \$ _____
Estimated Property Tax Abatement	\$ _____	Expected Gross Receipts \$ _____
		Additional Revenues to School Districts _____ _____ _____
		Additional Revenues to Municipalities _____ _____ _____
		Other Benefits _____
Estimated Interest Savings IRB Issue	\$ _____	Private Funds invested \$ _____
		Likelihood of accomplishing proposed project within three (3) years <input type="checkbox"/> Likely or <input type="checkbox"/> Unlikely

* Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's involvement in the Project. PLEASE NOTE: These amounts will be verified and there is a potential for a recapture of sales tax exemptions (see "Recapture" on page 10).

\$ _____ (to be used on the NYS ST-60)

**FEE SCHEDULE FOR THE
ORANGE COUNTY IDA IS AS FOLLOWS:**

Application Fee:

\$5,000 non-refundable, due at application, broken down as follows:

IDA Administrative Fee: \$2,500

IDA Transaction Counsel Fee: \$2,500

Closing Fee:

IDA Fee

One-percent of the first \$2,000,000 of the project cost (as identified on page 4 of this application), plus one-half percent of amount above that, due at closing (total project cost includes land acquisition costs).*

IDA Transaction Counsel Fee

One-third (1/3) of IDA fee (minimum of \$30,000 – to be reduced for smaller projects on case by case basis - plus out of pocket expenditures).

Local Labor Policy Monitoring

The IDA will use a third party firm or firms to monitor compliance with the Local Labor Policy (attached hereto). All costs incurred by the IDA in connection with such monitoring shall be the responsibility of the Company.

NOTE: IDA reserves the right to seek additional IDA and Transaction Counsel fees for exceptionally complex/large transactions.

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

4 Crotty Lane
New Windsor, NY 12553

*In the event that an applicant does not seek or does not qualify for the IDA's enhanced PILOT or the equivalent of the State's 485-b program, the fee will be a straight one-half percent (0.5%) of the project cost (as identified on page 4 of this application).

LABOR POLICY
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Adopted 04-24-2014

The Orange County Industrial Development Agency (IDA) was created for the purpose of creating employment opportunities for, and to promote the general prosperity and economic welfare of the residents of Orange County. The IDA offers economic incentives and benefits to qualified applicants who wish to locate or expand their businesses or facilities in Orange County. When the IDA approves a project, it enters into agreements to extend these incentives and benefits to the applicant.

Construction jobs, though limited in time duration, are vital to the overall employment opportunities in Orange County. The IDA believes that companies benefiting from its incentive programs should employ local laborers, mechanics, craft persons, journey workers, equipment operators, truck drivers and apprentices (hereinafter "construction workers"), including those who have returned from military service, during the construction phase of projects. In this way, the IDA can generate significant benefits to advance the County's general prosperity. It is, therefore, the policy of the IDA that firms benefiting from its programs shall employ workers in Orange County during all project phases, including the construction phase.

For the purposes of this Policy, the local labor market for construction workers shall be defined as those individuals living in Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland and Westchester Counties. Applicants receiving IDA benefits shall utilize at least 85% local labor for their approved projects. However, the IDA recognizes that the use of local labor may not be possible for the following reasons:

- 1) Warranty issues related to installation of specialized equipment whereby the manufacturer requires installation by only approved installers;
- 2) Specialized construction is required and no local contractors or local construction workers have the required skills, certifications or training to perform the work;
- 3) Significant cost differentials in bid prices whereby the use of local labor significantly increases the cost of the project. A cost differential of 10% is deemed significant. Every effort should be made by the contractor or applicant to get below the 10% cost differential including, but not limited to, meeting with local construction trade organizations and local contractor associations;
- 4) No local labor is available for the project; and
- 5) The contractor requires the use of key or core persons such as supervisors, foremen, or construction workers having special skills.

The request to secure an exemption for use of non-local labor must be received in writing from the applicant. The request will be reviewed by the Executive Director who shall have the authority to approve or disapprove the request. The Executive Director shall report each authorized exemption to the Board of Directors at its monthly meeting.

In addition, applicants receiving IDA benefits and Contractors on the project shall make every effort to utilize vendors, material suppliers, subcontractors and professional services from Orange County and the surrounding counties. Applicants and contractors shall be required to keep records of those local vendors, material suppliers, contractors and professional services who they have solicited and with whom they have contracted with or awarded.

The IDA will use a third party firm or firms to monitor and audit compliance with this local labor policy the cost of which shall be paid for by the Company upon billing by the IDA.

It is the goal of the County of Orange and the IDA to promote the use of local veterans on projects receiving IDA benefits. By partnering with local contractors, local contractor groups, local trade unions and contractors awarded work on IDA projects there is opportunity for veterans to gain both short term and long term careers in the construction industry.

Once approved for IDA benefits, all applicants will be required to provide to the IDA's Executive Director the following information:

- 1) Contact information for the applicant's representative who will be responsible and accountable for providing information about the bidding and awarding of construction contracts relative to the application and project;
- 2) Description of the nature of construction jobs created by the project, including in as much detail as possible, the number, type and duration of construction positions;
- 3) The names, contact information, certificate of authorization to do business in the State of New York and copies of current Certificates of NYS Workers' Compensation Insurance, NYS Disability Insurance, General Liability Insurance and proof of current OSHA training certification for all contractors and their employees performing work on the site; and
- 4) A Construction Completion Report listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged in the construction phase of the project.

All Orange County IDA projects are subject to local monitoring by the IDA. The Construction Manager, acting as agent for the applicant, on the project shall keep a log book on site detailing the number of workers on the job for each trade and the counties in which they reside which shall be subject to periodic inspection by the monitoring entity. The monitor shall issue a report to the Executive Director relative to compliance with this labor policy who shall share such information with the IDA Board of Directors. If a violation of the policy has occurred, the Executive Director shall notify the applicant in writing and give such applicant a warning of such violation. In the event there is a subsequent violation of the policy, the Executive Director shall bring such information to the Board of Directors which may, in its discretion, take action to revoke IDA benefits.

The applicant of an IDA approved project shall be required to maintain a 4' x 8' bulletin board on the project site containing the following information:

- 1) Contact information of the applicant;
- 2) Summary of the IDA benefits received; and
- 3) Contractors' names and contact information.

The bulletin board shall be located in an area that is accessible to onsite workers and visitors.

_____ (name of applicant) is fully aware of the Orange County Industrial Development Agency's Labor Policy and will fully comply with the policy and understands and agrees that it is responsible for all third party auditing and monitoring costs.

By: _____
Name:
Title:



Empowering Businesses. Inspiring Growth.

3PL

APPLICATION FOR FINANCIAL ASSISTANCE

Alto Music

(Applicant Name)

Robert T. Armistead
Chairman

Orange County Business Accelerator
4 Crotty Lane, Suite 100
New Windsor, NY 12553
Phone: 845-234-4192 Fax: 845-220-2228
www.ocnyida.com
business@ocnyida.com

Updated April 2016

**ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

Company Name: Alto Music
Mailing Address: 180 Carpenter Ave, Middletown, NY 10940
Phone No: 845-692-6922
Fax No: 845-346-0016
Fed Id No: 20-4785608
Contact Person: Tim Michels

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership): Jonathan Haber

Corporate Structure (attach schematic if applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity

Corporation

Date of Incorporation: 2006
State of Incorporation: New York

Partnership

General _____ or Limited _____
Number of general partners _____
If applicable, number of limited partners _____
Date of formation _____
Jurisdiction of Formation _____

Limited Liability Company/Partnership (number of members _____)

Date of organization _____
State of Organization: _____

Sole Proprietorship

If a foreign organization, is the applicant authorized to do business in the State of New York?

If any of the above persons, or a group of them, owns more than a 50% interest in the company, list all other organizations which are related to the company by virtue of such persons having more than a 50% interest in such organizations

na

Is the company related to any other organization by reason of more than 50% common ownership? If so, indicate name of related organization and relationship

na

Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year? If so, please provide offering statement used

no

APPLICANT'S COUNSEL

Name Bruce Stern

Address _____

Phone No: _____

Fax No: _____

II PROJECT INFORMATION

A) Project Address: 180 Carpenter Ave, Middletown, NY 10940

Tax Map Number 50-2-37.2
(See Form B or k/Lot)

Located in City of Middletown

Located in Town of Walkhill

Located in Village of _____

School District of Middletown

B) Are utilities on site?

Water yes Electric yes
Gas yes Sanitary/Storm Sewer yes

C) Present legal owner of the site Jonathan Heber
If other than from applicant, by what means will the site be acquired for this project? _____

D) Zoning of Project Site Current: Any Comm Proposed Any Comm

E) Are any variances needed? no

F) Furnish a copy of any environmental application presently in process of completion concerning this project, providing name and address of the agency, and copy all pending or completed documentation and determinations see attached site approval

G) Statement describing project (i.e. land acquisition, construction of manufacturing facility, etc.)
construction of ~~warehouse~~ addition of building

H) Principal use of project upon completion

- | | | | |
|--|---|-----------------------------------|--------------------------------------|
| <input type="checkbox"/> manufacturing | <input checked="" type="checkbox"/> warehousing | <input type="checkbox"/> research | <input type="checkbox"/> offices |
| <input type="checkbox"/> industrial | <input type="checkbox"/> recreation | <input type="checkbox"/> retail | <input type="checkbox"/> residential |
| <input type="checkbox"/> training | <input type="checkbox"/> data process | <input type="checkbox"/> other | |

If other, explain _____

I) Estimated Project Costs including

Value of property to be acquired: \$ we already own

Value of improvements: \$ 1.1 million

Value of equipment to be purchased: \$ —

Estimated cost of engineering/architectural services: \$ 50,000

Other: \$ —

Total Capital Costs \$ —

Project refinancing, estimated amount (for refinancing of existing debt only) \$ —

Sources of Funds for Project Costs

Bank Financing: M+T Bank \$ 1.1 million

Equity (excluding equity that is attributed to grants/tax credits) \$ —

Tax Exempt Bond Issuance (if applicable) \$ —

Taxable Bond Issuance (if applicable) \$ —

Public Sources (Include sum total of all state and federal grants and tax credits) \$ —

Identify each state and federal grant/credit

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____
Total Sources of Funds for Project Costs \$ _____

J) Inter-Municipal Move Determination

Will the project result in the removal of a plant or facility of the applicant from one area of the State of New York to another?

Yes or No

Will the project result in the removal of a plant or facility of another proposed occupant of the project from one area of the State of New York to another area of the State of New York?

Yes or No

Will the project result in the abandonment of one or more plants or facilities located in the State of New York?

Yes or No

If Yes to any of the questions above, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry

Project Data

1. Project site (land) 10 acres

(a) Indicate approximate size (in acres or square feet) of project site

_____ 10 acres _____

(b) Are there buildings now on the project site? Yes _____ No

(c) Indicate the present use of the project site

_____ retail & warehouse + services + distribution
repairs _____

(d) Indicate relationship to present user of project

owner

2 Does the project involve acquisition of an existing building or buildings? If yes, indicate number, size and approximate age of buildings

no

3 Does the project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings

yes - 1 building addition of 17,000 square feet

4 Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation.

yes - warehouse + manufacturer

5 What will the building or buildings to be acquired, constructed or expanded be used for by the company? (Include description of products to be manufactured, assembled or processed, and services to be rendered

manufacture + repair musical microphones, speakers + instrument processors as well as warehouse + photo studios

including the percentage of building(s) to be used for office space and an estimate of the percentage of the functions to be performed at such office not related to the day-to-day operations of the facilities being financed)

na

6 If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant

na

7 List principal items or categories of equipment to be acquired as part of the project

no equipment of note to be purchased

8 Has construction work on this project begun? no

Complete the following

(a) site clearance	_____ Yes	<u>X</u> No	_____ % complete
(b) foundation	_____ Yes	<u>X</u> No	_____ % complete
(c) footings	_____ Yes	<u>X</u> No	_____ % complete
(d) steel	_____ Yes	<u>X</u> No	_____ % complete
(e) masonry work	_____ Yes	<u>X</u> No	_____ % complete
(f) other (describe below)	_____ Yes	<u>X</u> No	_____ % complete

III. FINANCIAL ASSISTANCE REQUESTED

A) Benefits Requested

Sales Tax Exemption IRB MRT Exemption Real Property Agreement

B) Value of Incentives

IDA PILOT Benefit. Agency staff will indicate the amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit year and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted under the heading "Real Property Tax Benefit (Detailed)" of the Application.

Estimated duration of Property Tax exemption. 10 years - 487b

Sales and Use Tax:

Estimated value of Sales Tax exemption for facility construction: \$ 89,375

Estimated Sales Tax exemption for fixtures and equipment: \$ 55,475

Estimated duration of Sales Tax exemption: 1 year

Mortgage Recording Tax Exemption Benefit

Estimated value of Mortgage Recording Tax exemption: \$ 11,550.00

no IRB Benefit

IRB inducement amount, if requested \$ _____

Is a purchaser for the Bonds in place?

Yes or No NA

Percentage of Project Costs financed from Public Sector sources:

Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon Sources of Funds for Project Costs as depicted above under the heading "Estimated Project Costs" (Section II(I)) of the Application

C) Likelihood of Undertaking Project without Receiving Financial Assistance

Please confirm by checking the box below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency?

Yes or No

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency

There is a 10% chance this project would continue. We have warehouses outside of orange county as well as out of New York state we could rent space from and handle logistics

IV. EMPLOYMENT PLAN

	Current # of jobs at proposed project location or to be relocated to project location	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be RETAINED	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED upon THREE Years after Project completion	Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE Years after Project Completion **
Full time (FTE)	44	44	15	15
Part Time (PTE)	6	6	7	7
Total	50	50	22	22

** For purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes [] (or six other contiguous counties, including Orange County, chosen at the Agency's discretion)

Salary and Fringe Benefits for Jobs to be Retained and/or Created

Category of Jobs to be Retained and Created	Average Salary or Range of Salary	Average Fringe Benefits or Range of Fringe Benefits
Management	35,000	40% Profit sharing, partial health insurance
Professional	55,000	40% Profit sharing, partial health insurance
Administrative	35,000	40% Profit sharing, partial health insurance
Production	-	-
Independent Contractor	-	-
Other	-	-

III REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

- A. Job Listings In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entity") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JTPA") in which the project is located
- B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the proposed project
- C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency
- D. Annual Sales Tax Filings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant

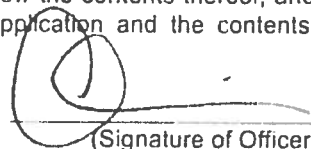
- E Annual Employment Reports The applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.
- F Compliance with N.Y. GML Sec 862(1): Applicant understands and agrees that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project
- § 862. Restrictions on funds of the agency (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry
- G Compliance with Applicable Laws The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations
- H False and Misleading Information The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.
- I Recapture: Should the Applicant not expend or hire as presented, the Agency may view such information/status as failing to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture
- J Absence of Conflicts of Interest The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described

The Applicant and the individual executing this Application on behalf of applicant acknowledge that the Agency and its counsel will rely on the representations made in this Application when acting hereon and hereby represents that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading

STATE OF NEW YORK)
COUNTY OF ORANGE) ss.:

Christina Michels, being first duly sworn, deposes and says.

1. That I am the Asst Project Manager (Corporate Office) of Alto Music (Applicant) and that I am duly authorized on behalf of the Applicant to bind the Applicant
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete


(Signature of Officer)

Subscribed and affirmed to me under penalties of perjury
this 27th day of June, 2016


(Notary Public)

DOUGLAS STERNEMANN
Lic #01ST6313507
Notary Public State of New York
Qualified in Orange County
COMM EXP 10/20/2018

This Application should be submitted to the Orange County Industrial Development Agency, c/o Robert T. Armistead, Chairman, Orange County Business Accelerator, 4 Crotty Lane, Suite 100, New Windsor, NY 12553

The Agency will collect an administrative fee at the time of closing.
SEE ATTACHED FEE SCHEDULE

Transaction Counsel
CHARLES SCHACHTER, ESQ /
RUSSELL GAENZLE, ESQ
Harris Beach PLLC
99 Garnsey Road
Pittsford, New York 14534
Tel: (585) 419-8633
Fax: (585) 419-8817

Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

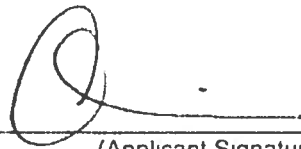
Attach the following Financial Information of the Company

1. Financial statements for last two fiscal years (unless included in company's Annual Reports)
2. Company's annual reports (or Form 10 K's) for the two most recent fiscal years
3. Quarterly reports (Form 10Q's) and current reports (Form 8-K's) since the most recent Annual Report, if any

4. In addition, please attach the financial information described above in items 1, 2 and 3 of any expected Guarantor of the proposed bond issue, if different from the company.

HOLD HARMLESS AGREEMENT

Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project, including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in processing of the Application, including attorneys' fees, if any.



(Applicant Signature)

By: _____

Name: Christina Michels

Title: Asst Project Manager



(Notary Public)

Sworn to before me this 29th day

of June, 2016

DOUGLAS STERNEMANN Lic #01ST6313507 Notary Public State of New York Qualified in Orange County COMM EXP <u>10/20/2018</u>

Real Property Tax Benefits (Detailed)

** This section of this Application will be: (i) completed by IDA Staff based upon information contained within the Application, and (ii) provided to the Applicant for ultimate inclusion as part of this completed Application.

PILOT Estimate Table Worksheet

Dollar Value of New Construction and Renovation Costs	Estimated New Assessed Value of Property Subject to IDA*	County Tax Rate/1000	Local Tax Rate (Town/City/Village)/1000	School Tax Rate/1000

*Apply equalization rate to value

PILOT Year	% Payment	County PILOT Amount	Local PILOT Amount	School PILOT Amount	Total PILOT	Full Tax Payment w/o PILOT	Net Exemption
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
17							
18							
19							
20							
TOTAL							

*Estimates provided are based on current property tax rates and assessment values

Cost Benefit Analysis:

To be completed/calculated by AGENCY

	<u>Costs =</u> <u>Financial Assistance</u>	<u>Benefits =</u> <u>Economic Development</u>
*Estimated Sales Tax Exemption	\$ _____	New Jobs Created Permanent _____ Temporary _____
		Existing Jobs Retained Permanent _____ Temporary _____
Estimated Mortgage Tax Exemption	\$ _____	Expected Yearly Payroll \$ _____
Estimated Property Tax Abatement	\$ _____	Expected Gross Receipts \$ _____
		Additional Revenues to School Districts _____ _____
		Additional Revenues to Municipalities _____ _____
		Other Benefits _____
Estimated Interest Savings IRB Issue	\$ _____	Private Funds invested \$ _____
		Likelihood of accomplishing proposed project within three (3) years <input type="checkbox"/> Likely or <input type="checkbox"/> Unlikely

* Estimated Value of Goods and Services to be exempt from sales and use tax as a result of the Agency's involvement in the Project PLEASE NOTE These amounts will be verified and there is a potential for a recapture of sales tax exemptions (see "Recapture" on page 10)

\$ _____ (to be used on the NYS ST-60)

**FEE SCHEDULE FOR THE
ORANGE COUNTY IDA IS AS FOLLOWS:**

Application Fee:

\$5,000 non-refundable, due at application, broken down as follows:

IDA Administrative Fee: \$2,500

IDA Transaction Counsel Fee: \$2,500

Closing Fee:

IDA Fee

One-percent of the first \$2,000,000 of the project cost (as identified on page 4 of this application), plus one-half percent of amount above that, due at closing (total project cost includes land acquisition costs).*

IDA Transaction Counsel Fee

One-third (1/3) of IDA fee (minimum of \$30,000 – to be reduced for smaller projects on case by case basis - plus out of pocket expenditures)

Local Labor Policy Monitoring

The IDA will use a third party firm or firms to monitor compliance with the Local Labor Policy (attached hereto). All costs incurred by the IDA in connection with such monitoring shall be the responsibility of the Company.

NOTE: IDA reserves the right to seek additional IDA and Transaction Counsel fees for exceptionally complex/large transactions.

Please make all Checks payable to:

Orange County Industrial Development Agency

Mail to:

4 Crotty Lane
New Windsor, NY 12553

*In the event that an applicant does not seek or does not qualify for the IDA's enhanced PILOT or the equivalent of the State's 485-b program, the fee will be a straight one-half percent (0.5%) of the project cost (as identified on page 4 of this application)

LABOR POLICY
ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Adopted 04-24-2014

The Orange County Industrial Development Agency (IDA) was created for the purpose of creating employment opportunities for, and to promote the general prosperity and economic welfare of the residents of Orange County. The IDA offers economic incentives and benefits to qualified applicants who wish to locate or expand their businesses or facilities in Orange County. When the IDA approves a project, it enters into agreements to extend these incentives and benefits to the applicant.

Construction jobs, though limited in time duration, are vital to the overall employment opportunities in Orange County. The IDA believes that companies benefiting from its incentive programs should employ local laborers, mechanics, craft persons, journey workers, equipment operators, truck drivers and apprentices (hereinafter "construction workers"), including those who have returned from military service, during the construction phase of projects. In this way, the IDA can generate significant benefits to advance the County's general prosperity. It is, therefore, the policy of the IDA that firms benefiting from its programs shall employ workers in Orange County during all project phases, including the construction phase.

For the purposes of this Policy, the local labor market for construction workers shall be defined as those individuals living in Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland and Westchester Counties. Applicants receiving IDA benefits shall utilize at least 85% local labor for their approved projects. However, the IDA recognizes that the use of local labor may not be possible for the following reasons:

- 1) Warranty issues related to installation of specialized equipment whereby the manufacturer requires installation by only approved installers,
- 2) Specialized construction is required and no local contractors or local construction workers have the required skills, certifications or training to perform the work;
- 3) Significant cost differentials in bid prices whereby the use of local labor significantly increases the cost of the project. A cost differential of 10% is deemed significant. Every effort should be made by the contractor or applicant to get below the 10% cost differential including, but not limited to, meeting with local construction trade organizations and local contractor associations;
- 4) No local labor is available for the project; and
- 5) The contractor requires the use of key or core persons such as supervisors, foremen, or construction workers having special skills.

The request to secure an exemption for use of non-local labor must be received in writing from the applicant. The request will be reviewed by the Executive Director who shall have the authority to approve or disapprove the request. The Executive Director shall report each authorized exemption to the Board of Directors at its monthly meeting.

In addition, applicants receiving IDA benefits and Contractors on the project shall make every effort to utilize vendors, material suppliers, subcontractors and professional services from Orange County and the surrounding counties. Applicants and contractors shall be required to keep records of those local vendors, material suppliers, contractors and professional services who they have solicited and with whom they have contracted with or awarded.

The IDA will use a third party firm or firms to monitor and audit compliance with this local labor policy the cost of which shall be paid for by the Company upon billing by the IDA.

It is the goal of the County of Orange and the IDA to promote the use of local veterans on projects receiving IDA benefits. By partnering with local contractors, local contractor groups, local trade unions and contractors awarded work on IDA projects there is opportunity for veterans to gain both short term and long term careers in the construction industry.

Once approved for IDA benefits, all applicants will be required to provide to the IDA's Executive Director the following information:

- 1) Contact information for the applicant's representative who will be responsible and accountable for providing information about the bidding and awarding of construction contracts relative to the application and project;
- 2) Description of the nature of construction jobs created by the project, including in as much detail as possible, the number, type and duration of construction positions;
- 3) The names, contact information, certificate of authorization to do business in the State of New York and copies of current Certificates of NYS Workers' Compensation Insurance, NYS Disability Insurance, General Liability Insurance and proof of current OSHA training certification for all contractors and their employees performing work on the site; and
- 4) A Construction Completion Report listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged in the construction phase of the project

All Orange County IDA projects are subject to local monitoring by the IDA. The Construction Manager, acting as agent for the applicant, on the project shall keep a log book on site detailing the number of workers on the job for each trade and the counties in which they reside which shall be subject to periodic inspection by the monitoring entity. The monitor shall issue a report to the Executive Director relative to compliance with this labor policy who shall share such information with the IDA Board of Directors. If a violation of the policy has occurred, the Executive Director shall notify the applicant in writing and give such applicant a warning of such violation. In the event there is a subsequent violation of the policy, the Executive Director shall bring such information to the Board of Directors which may, in its discretion, take action to revoke IDA benefits.

The applicant of an IDA approved project shall be required to maintain a 4' x 8' bulletin board on the project site containing the following information:

- 1) Contact information of the applicant
- 2) Summary of the IDA benefits received; and
- 3) Contractors' names and contact information

The bulletin board shall be located in an area that is accessible to onsite workers and visitors

_____ (name of applicant) is fully aware of the Orange County Industrial Development Agency's Labor Policy and will fully comply with the policy and understands and agrees that it is responsible for all third party auditing and monitoring costs.

By: _____

Name: _____

Title: _____

**TOWN OF WALLKILL
PLANNING BOARD
RESOLUTION GRANTING
AMMENDED SITE PLAN APPROVAL**

**Alto Music
Town File No 16-05
Tax Map 50-2-37.2
180 Carpenter Ave**

WHEREAS, an application was previously made to the Town of Wallkill Planning Board by Jonhary LLC / Alto Music ("Applicant") for a modification / amendment to an existing Site Plan in relation to an existing building 180 Carpenter Avenue ("Site"), within the Town of Wallkill, and

WHEREAS, the Site is presently improved by a structure housing a retail establishment (Alto Music), and the Applicant seeks site plan approval to construct a one-story, 17,000 sq ft building addition for a permitted use (retail + accessory storage) in the Highway Commercial District, and

WHEREAS, the Planning Board conducted an Environmental Review, which included Environmental Assessment Review under SEQRA, and

WHEREAS, on April 20, 2016, the Town of Wallkill Planning Board adopted a SEQRA Negative Declaration (Short Form FAF Part 3) determining that there will be no significant environmental impacts from the proposed use; and

WHEREAS, the Planning Board took into consideration the public health, safety and general welfare and the comfort and convenience of the public in general and the residents of the immediate neighborhood in particular, and

WHEREAS, the Planning Board has required and the Applicant has agreed to provide conditions and safeguards, as are shown on its Site Plan last revised January 22, 2016 ("Site Plan"), and

WHEREAS, the procedure requirements and provisions of Section 249-40 of the Town of Wallkill Zoning Law relating to the review and approval of Site Plans have been followed and

met, and

WHEREAS, the Planning Board required the Applicant to incorporate safeguards and conditions to further the intent of the zoning regulations, including those mitigation measures set forth in the aforementioned Negative Declaration.

NOW, THEREFORE, BE IT RESOLVED, that the Town of Wallkill Planning Board finds that the applicant has submitted all applicable materials, and met all applicable requirements as set forth in the Zoning Code and Regulations of the Town of Wallkill and hereby grants Site Plan approval (amended) to the applicant subject to the conditions set forth in this resolution

- 1 The Planning Board finds that the Site Plan submitted by the Applicant conforms to the requirements set forth in the applicable provisions of the Town Code, 249-40, subject to making the modifications noted herein
- 2 The Applicant agreed to make the following revisions and/or submissions on its site plan in connection with this approval
 - i A fence will be added around the pallet storage area. The detail will include evergreen inserts
 - ii A new location for the compactor enclosure will be shown including dimensions and evergreen inserts
 - iii A larger scale site plan will be submitted which conforms to the applicable provisions of the Town Code
 - iv A cross section and notes are to be provided for overlay of the existing parking lot which is deteriorated
 - v The offer of dedication for the town road along the side parking lot will be a "gratuitous offer of dedication"
 - vi Existing dead trees on the site will be replaced as per Site Plan
 - vii The existing curbing which is along the side property lines

and near the rear of the building is to be shown on the plan and notes provided for extending curbing where needed

viii. Soil erosion and sedimentation details are to be provided

ix. A revised site plan to be submitted to the Town Engineer by the Applicant, which shall be open for review, comment and approval by the Town Engineer

3. The within Site Plan Amendment does not relieve the applicant from securing any other permits and or approvals that may be necessary to use the site. All conditions of the Site Plan Approval and Special Use Permits heretofore approved by the Planning Board shall continue to be of full force and effect
4. As a condition of the approval of the within Site Plan, the owner of the property depicted in with within site plan irrevocably gives permission to the Town of Wallkill to perform such inspections and or patrols as the Town of Wallkill deems, in its sole discretion to be reasonably necessary, of the public areas of the above-referenced property. Said inspections and or patrols of the public areas can be performed without notice or pre-conditions as the Town of Wallkill considers appropriate under the circumstances. Said inspections and or patrols can be performed by any authorized person acting for the Town of Wallkill, including its police officers, code enforcement personnel, and or its parking enforcement patrol personnel. The permission granted hereby is in addition to any other right the Town of Wallkill has to inspect the property, and it is not in limitation thereof. This permission shall not be revoked so long as the property is used and operated in the Town of Wallkill that is open to the public and or pursuant to an approved site plan or special use permit


- 5 The Applicant shall file a construction bond – financial security in the amount required by the Town Engineer and in the form required by applicable law (Town Code §249-42) and approved by the Town Board. A Construction Inspection Agreement shall be entered into between the Applicant, General Contractor and the Town for any the site work that is required to be inspected by the Town.
- 6 It shall be a violation of § 249-7 and § 249-52 of the Town Code of the Town of Wallkill to use and/or occupy the site depicted on the within site plan in any manner inconsistent with the approvals granted thereto by the Town of Wallkill Planning Board. At all times, the site shall be maintained in conformity with the approved site plan. Failure to do so shall be punishable as provided under applicable law, including enforcement action by Town Building Inspector.
- 7 In connection with the maintenance of the site in conformity with the Site Plan, all landscaping shall be maintained in a healthy and vigorous state. All diseased or dead plantings shall be replaced when seasonal conditions permit.
- 8 Snow shall not be piled in such areas or to such a height such that it impairs visibility to persons – motorists entering or leaving the site.
- 9 The Town of Wallkill does not have a special duty to the general public with respect to the care and maintenance of the Site.
- 10 As a condition of the signing of the Site Plan by the Chairman of the Planning Board, all fees due the Town of Wallkill, including any fees due its consultants, such as the Town Engineer and/or the Town Attorney, be paid in full.

NOW, THEREFORE, BE IT RESOLVED

On a motion by B. Capozella, seconded by J. Keegan, and carried by a vote of 5 Ayes, 0 Nays, that the Town of Wallkill Planning Board finds that the Applicant has submitted all applicable materials, and met all applicable requirements as set forth in the Town Code, including the provisions therein relating to Zoning, and hereby grants conditional site plan approval subject to the conditions set forth in this resolution.

Dated May 3rd 2016

TOWN OF WALLKILL PLANNING BOARD


Hon. Gary Lake, Chairman

The original of this resolution was filed with the Town Clerk on 11 May 5th, 2016
A copy of this resolution was mailed to the applicant on 11 May 5th, 2016

RESOLUTION AUTHORIZING THE CHAIRMAN TO EXECUTE A CONTRACT OF SALE WITH THE TOWN OF NEW WINDSOR FOR A THREE ACRE PARCEL OF LAND AT STEWART AIRPORT FOR THE CONSTRUCTION OF A NEW IDA BUILDING AND TO APPROPRIATE FUNDS TO EFFECTUATE SUCH PURCHASE.

MOTION BY:

SECONDED BY:

WHEREAS, the Orange County Industrial Development Agency (hereinafter “the Agency”) presently leases space at 4 Crotty Lane, Suite 100 for its offices and for The Accelerator; and

WHEREAS, the Agency believes that it needs larger facilities to accommodate its needs and the expanded role of The Accelerator; and

WHEREAS, the Agency also believes that it makes more economic sense over the long run to own its own space instead of leasing its current space; and

WHEREAS, the Town of New Windsor (hereinafter the “Town”) is willing to sell the Agency a three acre tract of land on its Stewart Airport Properties for the purposes of the Agency constructing its new headquarters; and

WHEREAS, two of the Agency’s board members have negotiated terms of the sale with the Town for said purpose; and

WHEREAS, this IDA wishes to authorize its Chairman to execute a Contract of Sale and to further authorize its Chairman and Attorney to take all necessary actions to complete said sale and to appropriate funds therefor.

NOW.THEREFORE, BE IT RESOLVED, that the Agency hereby authorizes its Chairman to enter into a Contract of Sale with the Town of New Windsor for the purchase of a three acre parcel of land from the Town at Stewart Airport.

FURTHER RESOLVED, that the Chairman and Attorney are hereby authorized to take all necessary steps and to execute any and all documents to complete said purchase.

FURTHER RESOLVED, that the Board hereby appropriates up to \$170,000 to cover the purchase price, title insurance and any other related closing costs.

Vote:

Mr. Schreiber

Ms. Rogulski

Mr. Diana

Mr. Brescia

Mr. Van Leeuwen

Mr. Steinberg

Chairman Armistead

DATED: July 6, 2016

AYES; 0 NAYS

RESOLUTION:

'Farm to Factory' Conference Highlights Food Safety

Small-scale food processors advised to write down production procedures

By [Yvonne Marcotte](#), [Epoch Times](#) | June 22, 2016 | Last Updated: June 22, 2016 2:03 pm



NEWBURGH—Michele Pfannenstiel explained the importance of food safety at the Mid-Hudson Valley Food Processing Conference: From Farm to Factory on June 18 in Newburgh.

Her company, Dirigo Food Safety, helps food companies navigate all levels of food safety regulation.



Dr. Michele Pfannenstiel (R) speaks to an attendee at the Mid-Hudson Food Processing Conference: From Farm to Factory in Newburgh on June 17, 2016. (Yvonne Marcotte/Epoch Times)

Pfannenstiel told conference goers of the time she met with a Hudson Valley couple making artisanal raw milk cheese. They needed her help to sell to a national cheese distributor.



Attendees at the Mid-Hudson Valley Food Processing Conference: From Farm to Factory in Newburgh on June 17, 2016. (Yvonne Marcotte/Epoch Times)

A regulator from the FDA was visiting at the time. The regulator asked for the customer complaint log —no complaints. She reviewed their standard operating procedures (SOP). All equipment in the facility was working as it should. The regulator left.

"That what you want your regulators to do," Pfannenstiel said. "You want them to say, 'Wow, this is really squared away,' to look around, and leave."

The Orange County Industrial Development Agency (IDA) hosted the conference as part of its effort to support and enhance small, artisanal producers of specialty foods in the Hudson Valley.



Laurie Villasuso, executive director of the Orange County Industrial Development Agency, at the Mid-Hudson Valley Food Processing Conference: From Farm to Factory in Newburgh on June 17, 2016. (Yvonne Marcotte/Epoch Times)

Turning artisan goods into a profitable business takes more than creating delicious recipes. "Local artisan food producers face a number of challenges that can make it hard just to break even, from finding commercial kitchen space to balancing the high costs of quality ingredients," Pfannenstiel said.

Pfannenstiel told about 200 artisanal food producers why it was important to write down standard operating practices (SOPs) to meet regulatory requirements in the food manufacturing industry.

Their food business will be more efficient and grow, and the company will also easily pass regulatory inspections and audits.

Todd Erling, executive director of conference sponsor Hudson Valley AgriBusiness Development Corp., said there is a big market waiting for artisan food producers. "You have access to about 60 million mouths within a five-hour drive," he said to participants. "It's a built-in market."



Todd Erling, executive director of conference sponsor, Hudson Valley AgriBusiness Development Corp., speaks at the Mid-Hudson Valley Food Processing Conference: From Farm to Factory in Newburgh on June 17, 2016. (Yvonne Marcotte/Epoch Times)

More and more consumers care about food safety, Erling said, and want transparency in how their food is made, who grows it, and where it comes from. "That is one of the best market opportunities for food manufacturing, for agriculture, and for everyone that has to eat three times a day."

Regulation

Pfannenstiel said safe food production measures are part of running a successful food business and it's not beyond small-scale producers to manage. "Meeting third party standards and food safety standards is not only 100 percent achievable but actually the way forward in growing," she said.

Success and growth requires that artisanal producers look at their systems and the technical aspects of production. The business owner must take the lead with a solid action plan. "The decision to make safe, wholesome food, follow regulations, and do it the right way—the same way every single time you do it—is a decision that comes from the top."

She said small food processors must see their food processing as a business. They have to transform themselves from cooks to manufacturers of food with all the procedures that involves. "You have to set yourself up for manufacturing. You are not cooking anymore," she said.

Local food producers need to know who regulates their business. Is it the FDA, USDA, the New York Department of Agricultural Markets, or another regulatory agency?

Food safety starts with what Pfannensiel calls a hazard plan, or Hazard Analysis Critical Control Point (HACCP).

"HACCP is a management system in which food safety is addressed through the analysis and control of biological, chemical, and physical hazards from raw material production, procurement and handling, to manufacturing, distribution and consumption of the finished product," according to ifsworld.com.

"Consumers care about such things," the website stated, "and they want to know that you as a manufacturer care, too." Artisanal producers not only source local ingredients but need to process them efficiently and in the right way.

Efficiency means writing down steps so the processor doesn't waste time reinventing the wheel, checking temperatures or calibrating ovens again and again. It means to write down and use SOPs which prevent work stoppages from third party audits.

Growth and Efficiency

Pfannensiel sees a food safety plan as a script, a story whose audience are employees and regulators, which can change and grow.

SOP and HACCP plans allow a growing business to sustain itself and go to the next level. "If you start instituting systems, when your product takes off, you will be able to grow to meet your demand," Pfannensiel said. "You then become an approved supplier for the people who are trying to get your business."

The plans start at the source: on the farm. Pfannensiel, a veterinarian, says she respects the animals on her farm. "I believe those animals' lives mean something. We respect things as they go through our production cycle. We don't throw things away because we are dotting our i's and crossing our t's."

With systems in place and documented, the owner can train employees in the correct procedure, which makes for a stronger work force across the industry. "A food artisan is someone who is completely and wholly integrated into the creation of their product," according to sfgate.com.

Local food sells virtue.

— Michele Pfannensiel, CEO, Dirigo Food Safety

"Local food sells virtue," Pfannensiel said. Consumers value the quality and skill artisans put into small-scale food processing, whether it's homemade ice cream, artisan breads, or vegetables that previously were fed to pigs.

Anna Dawson saw a need to save the food she and other farmers normally feed to their pigs.

—

Community Project

Anna Dawson, retired farmer, small scale food processor, and former home economics teacher, is on a quest to preserve and market food grown locally. She sees a need to save the food she and other farmers normally feed to their pigs. In 1960 she said nobody knew how to preserve local produce.



Anna Dawson at the Mid-Hudson Valley Food Processing Conference: From Farm to Factory in Newburgh on June 17, 2016. (Yvonne Marcotte/Epoch Times)

Around that time at Cornell, Dawson saw how meats were frozen and vacuum packed and asked herself why this could not be done with fruits and vegetables. Dawson said large kitchens—in school cafeterias, churches, or at garden clubs—can preserve and sell food and make it a community project.

She sees this as a community endeavor at both ends of the age spectrum. Retirees and teens can work together. Retirees can provide the food and facilities while young people can do the leg work or computer-related task making instruction videos, managing online orders, and selling preserved from food trucks.

Dawson said processing local food that would otherwise be thrown away can be “designed to grow a population of young people connecting to whole food.”

The Kinderhook resident works out of a 1400-square foot kitchen which she says can be reproduced anywhere for a food business. Her freezer meal company, Hometown Foods, trains entrepreneurs to design frozen products from community kitchens.

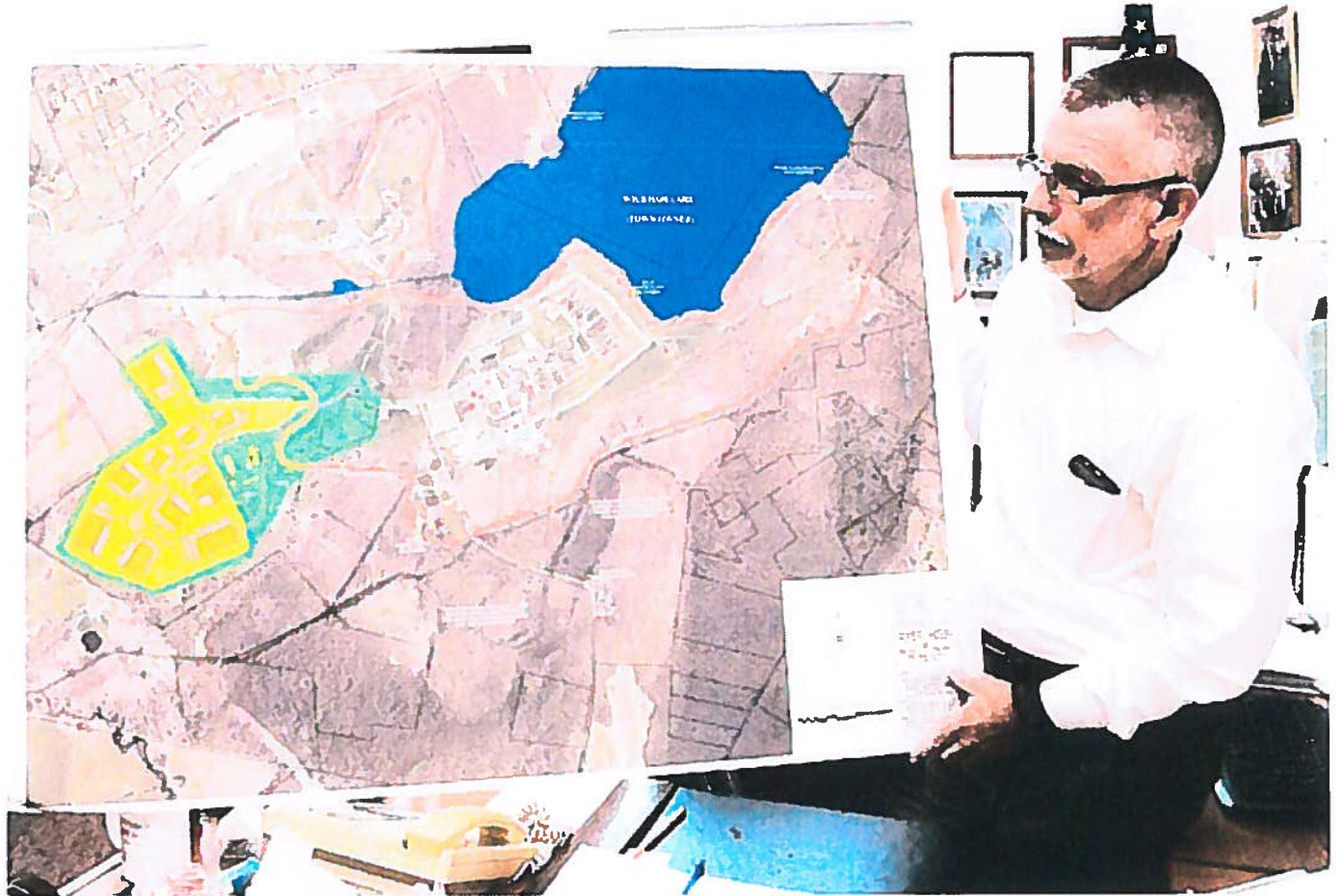
The conference was the second major event in the IDA’s Accelerator program to bring manufacturing to the Hudson Valley.

A certified New York State incubator, the Accelerator supports the artisan foods manufacturing industry by helping small-scale producers expand beyond the kitchen to a modern food manufacturing facility.

From Prison to Park: Warwick's Office and Technology Corporate Park

Residents support, committees get to work, an entrepreneur invests, and a spectacular property comes to life

By [Yvonne Marcotte, Epoch Times](#) | June 8, 2016 | Last Updated: June 9, 2016 8:58 am



WARWICK—The Town of Warwick has made lemonade from the lemon of a closing prison. Gov. Cuomo decided to close the Mid-Orange Correctional Facility, a medium-security prison, in Warwick in 2011 and the town saw an opportunity to develop a corporate office and technology park.

When the state announced the prison's closing in 2011, the town worked hard to have it stay. "We were happy to have them as a prison. They were good neighbors," said Michael Sweeton, Warwick's town supervisor.

The state was firm in its decision to close, so Sweeton approached the town board. The property was too valuable to let it sit. He did not want the state to put it out to bid "and somebody buys it that has plans for some crazy stuff." The board authorized the supervisor to negotiate a sale.



Warwick Town Supervisor Michael Sweeton with a map of the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)

Sweeton got all land allocated for public and recreational use for one dollar. During the negotiations for the rest, the state and the town had their own appraisals done, haggled over its value, and settled on a price. "Then I had to figure out how we were going to pay that," he said.

Multi-Level Investment

Although the public spaces would be given to the town for \$1, state law required that the commercial sections had to be sold at market value.

When the town was ready to buy, an angel investor stepped in.

After all the preparatory planning, the town was ready to buy. That's when an angel investor stepped in. The potential corporate site caught the interest of Warwick resident Robert Schluter. Schluter offered the town a \$3.5 million mortgage with very generous terms.

The philanthropist investor considered the loan good for the town. "It was a short window of opportunity for the town to take advantage of a very good deal."

The town now owned the site and planned infrastructure improvements. The town laid in new electric and natural gas lines, an investment close to \$2 million. Another investor stepped in—the Orange County Industrial Development Agency.

Laurie Villasuso, the IDA's chief operations officer, says it was a very good investment. "Michael Sweeton and the whole town did such a great job of securing the land and they had such a great plan to develop it, market it, and turn it in to what it is now."

Villasuso calls the IDA's almost \$1 million investment a project expenditure. As the town made improvements, they forwarded the bills to the IDA, which paid the vendors directly. "The intent then was to give [the town] time to get the construction underway and ultimately to be completed," she said.

Residents on Board

Sweeton got residents involved every step of the way. Just after the prison closed, he called on a group of local citizens to evaluate the site and deliver their findings to the town. The report was discussed at a public hearing and resoundingly approved.



Grounds of the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)



Grounds of the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)



Former prison building on the grounds of the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)

An informal group of business leaders and municipal officials next formed the Warwick Development Corporation, which soon formalized as a nonprofit. "We had this core and when it became evident that the state was going to make us buy this, we said, 'we need to formalize a mechanism to do this.'"

The town formed an LDC, or nonprofit local development corporation. Respected leaders in the county —Lou Heimbach, Maureen Halahan, former chamber president Bob Krahulic—as well as Sweeton and the Village of Warwick Mayor Michael Newhard serve on the board.

Schluter serves as an advisor to the LDC. He says he offers the common-sense advice of a resident as well as professional advice. He was especially concerned with environmental issues and having an uncontaminated site was a pre-condition to his investment. "Neither me as a lender nor the town as purchaser should get involved in something that could be toxic."

The LDC's one purpose is to redevelop the site to benefit Warwick.

—

No one on the board is paid. The LDC's one purpose is to redevelop the site to benefit Warwick.

A traffic study was done during the pre-approval process. The town was already used to previous traffic to the prison. On a 24/7 basis about 450 guards entered the premises every day. "People are not going to notice this tremendous influx of vehicle traffic in the near future," Sweeton said.

"There is a threshold capacity shown on the traffic study that, once it's triggered, would require additional improvements to the site, for instance, a turning lane on Kings Highway," he said.

The supervisor says the town will monitor traffic levels and has the bonding authority to make improvements.

It's a beautiful, scenic location. I think that's part of the attractiveness of it that we are hoping to sell.
— Michael Sweeton, supervisor, Town of Warwick

Sites for Sale

The site has much to offer. "It's a beautiful, scenic location," Sweeton said. "I think that's part of the attractiveness of it that we are hoping to sell."



Lake at Wickham Woodlands public park at the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)

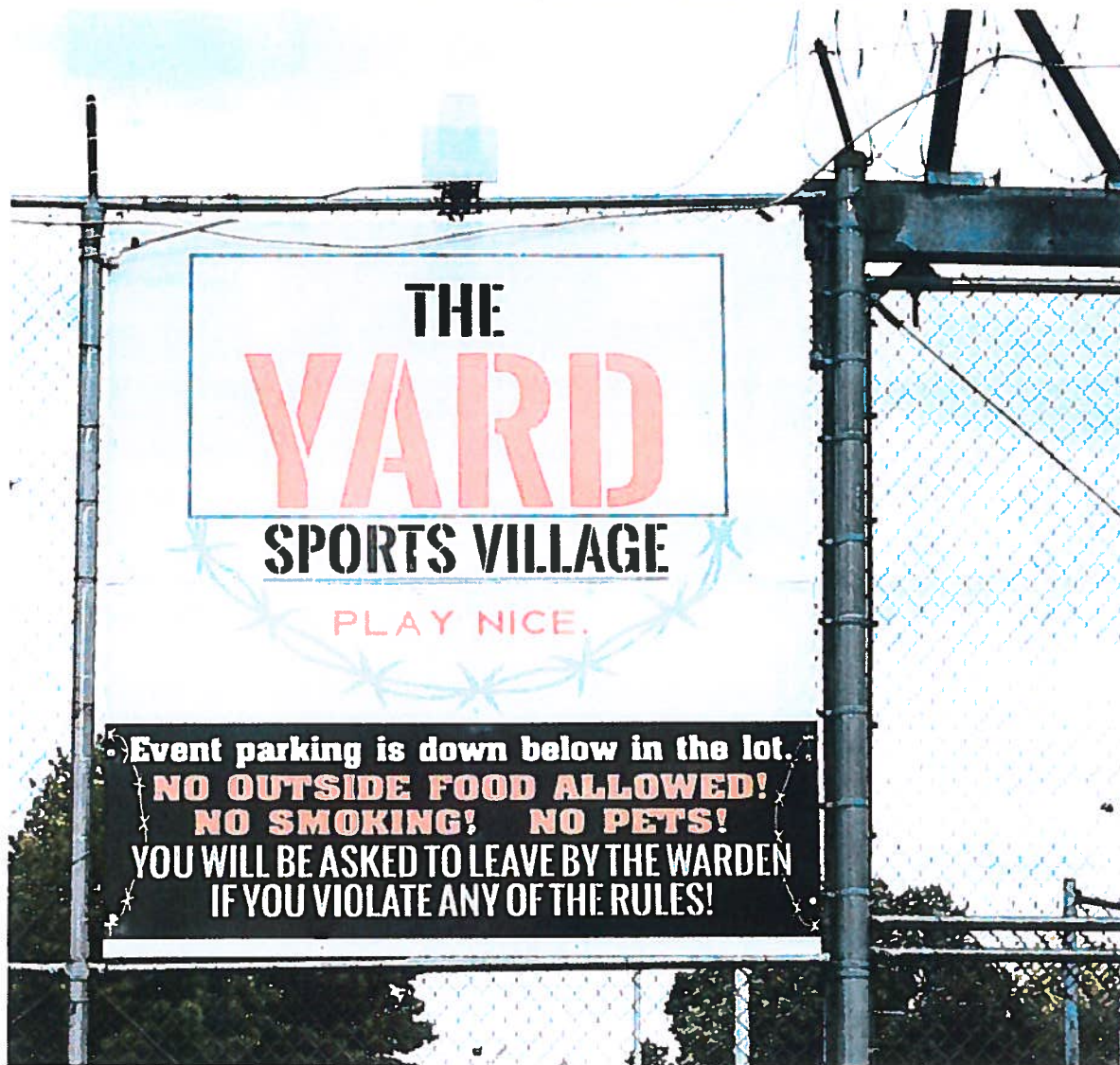
The town would like to have companies that use employees who work from home or at remote locations. Firms that do software development or research can expect a quiet, isolated environment free of commotion or distraction.

With new infrastructure and other improvements, the site has already welcomed The Yard Sports Village, a venue for soccer, lacrosse, baseball, softball, and football athletes, and an adaptive sports organization, Beautiful People.



Entrance to sports venue The Yard at the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)

The Yard's owner, Anthony Abbatine, paid \$1.7 million for his 38-acre site and said the town was "tremendously cooperative in allowing us to move as quickly as we did and at the same time to benefit from having all these additional fields and sporting venues right in their backyard."



Entrance to sports venue The Yard at the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)

The town entered into a 15-year agreement with Beautiful People, a nonprofit that offers adaptive sports for children with handicaps. Executive Director Jan Brunkhorst says they will share a field with Little League. They are now trying to raise \$350,000 for a safe surface accessible field and a smaller t-ball field. She calls the park "a wonderful, wonderful effort of repurposing."

A newly-renovated building called Wickham Woodlands Manor has been set aside as a venue hall for residents. The space has a kitchen and space for about 100 people for parties, christenings, or weddings.

Ten shovel-ready pads are available for office or light industrial use. Three of the pads are under contract and Sweeton says they may close within two months.



Shovel-ready pad at the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)



Shovel-ready pad at the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)

The move-in is almost painless, he says. "The pre-approved pad sites truly are shovel ready because everything has been approved on them." Sewer and water is already allocated, all utility connections are in, including natural gas and fiber optics.

Once a buyer closes on a pad lot and submits plans to the building department, they can begin construction within 10 days.

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Once a buyer closes on a pad lot and submits plans to the building department, Sweeton says they can begin construction within 10 days. "Everything is in, stubbed right to the lots."

Incentives

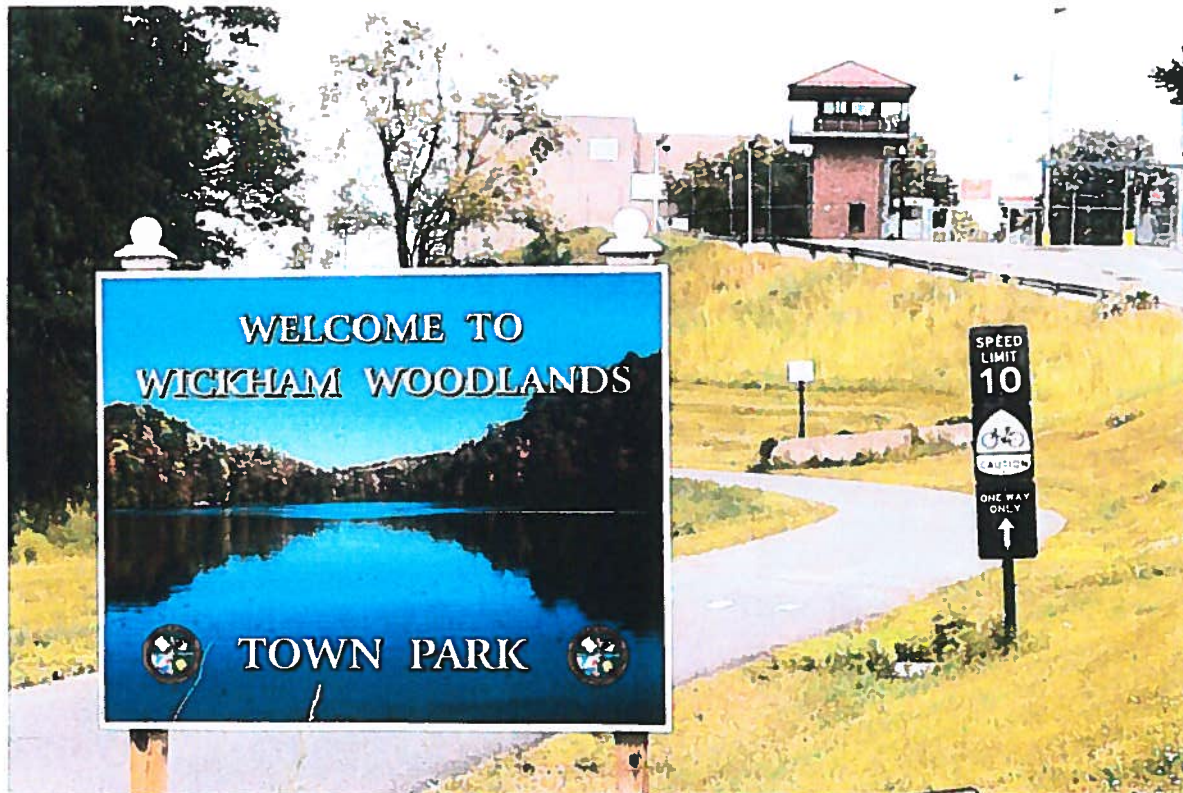
Along with aesthetic value, there are also financial incentives which the IDA can deliver to approved companies. A company can be exempted from 1) sales taxes on construction materials when they build and 2) a state mortgage tax.

Companies can also apply for a PILOT, or payment in lieu of taxes once a building is constructed, usually over a ten-year period. Companies continue to pay taxes on vacant land as assessed.

Once a building is constructed and assessed, companies are taxed at a gradual rate. "The first year they would pay based on \$1 million assessment, the second year \$2 million, and so on. That gives a company an opportunity for the company to get off the ground," Sweeton said.

Town Park

A town park, called Wickham Woodlands, was created around the 120-acre lake on the perimeter of the corporate site. A road winds along the lake where locals can launch boats, picnic, or watch a pair of nesting bald eagles. Company employees can enjoy the lake shore. "It's a nice little loop they can make around the property."



Entrance to public park at the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)



Wickham Woodlands public park at the Warwick Office and Technology Corporate Park in Warwick on June 6, 2016. (Yvonne Marcotte/Epoch Times)

Sweeton said when the commercial pads are all sold and debts are paid, any monies above that get returned to the community for infrastructure improvements or other capital investment. "It was a win-win for the town."

The former prison, now an attractive site for potential corporate clients, is a real value for Warwick, Sweeton says. "This will be a real benefit for generations to come. It was a great project and it was the right one for Warwick."

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