

**Minutes of the Putnam County
Industrial Development Agency (“IDA”)
Board of Directors
Meeting of July 7, 2015
Putnam County Training and Operations Center
Donald B. Smith Campus
112 Old Route 6
Carmel, NY 10512**

Chairman Richard Ruchala called the meeting to order at 5:17 p.m.

1. Roll Call – The following Directors were present: Richard Ruchala, Chair, Ray Ruyack, Randall Chiera, Maureen McLaughlin, Bill Nulk and Vincent Murphy

Absent: Kevin Bailey and Alan Wolfson, CFO

Staff: Sharon Donaghey, Executive Director

Guests: Robert Schneider, Esq., of Cuddy & Feder – IDA Counsel
Matt Francesco of Cold Spring
Stephanie Hawkins of Cold Spring
Marie Early of Cold Spring
Mike Armstrong of Cold Spring
Liz Schevtchuk Armstrong of Philipstown
Aidan Galligan – Putnam Courier
D. Propper – Putnam Examiner
2. Approval of Minutes – On motion by Bill Nulk, second by Ray Ruyack, the Minutes of the May 28, 2015 meeting were reviewed and approved – Motion passed 6-0; carried unanimously.
3. Butterfield Realty LLC Project –
 - i. Public Hearing held on June 22nd at 10 am in Cold Spring. Chairman Ruchala, Bill Nulk and Robert Schneider, Esq., attended the Public Hearing. There were (a) questions about the number of buildings that were going to receive benefits from the IDA, (b) concerns about the timing of the Public Hearing and the IDA Board Meeting scheduled for the next day (i.e. June 23rd) and about the fact that there isn't enough time to review all of the documents, (c) were bonds involved in this deal, (d) how many jobs were going to be created and (e) the size of the project. Chairman Ruchala postponed the June 23rd meeting until July 7th as a courtesy to Cold Spring in order to give more time for document review. He also confirmed that no bonds were going to be financed through the IDA. This Project was strictly sales tax and mortgage recording tax abatement on two (2) buildings only. Chairman Ruchala advised that once the IDA deal is finalized the Butterfield Project can start.
 - ii. The following people were asked by Cold Spring Mayor Merandy to speak at the meeting. They each thanked the IDA for postponing the meeting.
 - Marie Early – she reviewed in great detail the draft financing documents related to this deal, noting the incorrect address of the project site, inconsistent information and missing exhibits and/or attachments. Chairman Ruchala and Robert Schneider confirmed that the documents were “draft” and as time progresses all missing and incorrect information will be corrected.

- Stephanie Hawkins – She spoke about property owners grieving their property assessment and their taxes. She would like the IDA to insert language into the financing documents which would prevent the Butterfield Project from grieve their taxes.
 - Matt Francesco – he stated that commercial buildings are very important to Cold Spring for taxes; the timing and document preparation with inconsistent facts are a concern; the language in the initial March resolution is too broad and should be refined and the EAF stated that no pilot or other tax abatements were going to be sought.
- iii. Chairman Ruchala asked if there were any other comments from the audience. There were no comments.
- iv. Board discussion – Robert Schneider distributed the Resolution to the board for their review. After reviewing the document, Chairman Ruchala asked if there were any comments or concerns. Randy Chiera stated that the project address is incorrect; Mr. Schneider stated it would be corrected. Maureen McLaughlin asked that consideration be given to Putnam County residents when it comes to jobs. She understands that this cannot be mandated but asked for consideration. There being no further questions or comments, on motion by Richard Ruchala, second by Ray Ruyack, the Resolution regarding the Butterfield Realty LLC Project for sales tax and mortgage tax abatements was put to a roll call vote as follows:

Bill Nulk	Aye
Maureen McLaughlin	Aye
Ray Ruyack	Aye
Randal Chiera	Aye
Vincent Murphy	Aye
Richard Ruchala	Aye

Motion passed 6-0; carried unanimously. A copy of the Resolution is attached to these minutes (Attachment #1).

4. Next Meeting – TBD

A motion was made to adjourn the meeting by Richard Ruchala, second by Bill Nulk. The motion was approved 6-0 at 6:14 pm.

Respectfully,

Vincent Murphy
Secretary

**PUTNAM COUNTY INDUSTRIAL DEVELOPMENT AGENCY
RESOLUTION**

Butterfield Realty LLC Project

WHEREAS, the New York State Industrial Development Agency Act and the County of Putnam Industrial Development Agency's enabling legislation, respectively constituting Article 18-A and Section 927-f of the General Municipal Law (Chapter 24 of the Consolidated Laws of New York) (the "ACT") authorizes the Putnam County Industrial Development Agency (the "Agency") (1) to promote the economic welfare, recreational opportunities and prosperity of its inhabitants, and (2) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreational facilities through governmental action for the purpose of preventing unemployment and economic deterioration; and

WHEREAS, the Agency received an application from Butterfield Realty LLC (the "Company") dated February 17, 2015 (the "Application"), as supplemented on March 4, 2015, requesting the Agency to close an IDA Straight-Lease Transaction, and to provide other financial assistance, primarily in the form of exemptions from sales and use taxes and mortgage recording taxes, for a project consisting of two (2) new buildings, comprised of an aggregate of approximately 31,000 square feet on approximately 6 acres, to be used for office and retail space, to be used by the Company for (i) the construction of a 3-story, approximately 15,000 square foot building with retail/office space on the first floor and office space on the upper two floors, and (ii) construction of a 2 ½ story, 16,000 square foot building (subject to final structural approval by the Village of Cold Spring) with retail/office space on the first floor and office space on the

upper floors (collectively, the “Project”), equip that certain real property generally known as and by the street address 1756 Route D (Chestnut Street), Cold Spring, New York 10516-2619 (the “Premises”), all to be occupied and maintained by the Company for commercial purposes (the “Project”); and

WHEREAS, pursuant to an Inducement Resolution of the Agency adopted March 30, 2015, the Agency determined that the undertaking and completion of the Project and the provision of financial assistance by the Agency is authorized by the ACT and is in furtherance of the policy of the State of New York as set forth therein; and

WHEREAS, the Company, at this time, does not require the issuance of the Agency’s Industrial Development Revenue Bonds in order to undertake the Project but does seek other financial assistance as hereinabove set forth through an IDA “straight-lease” transaction (as defined in the ACT); and

WHEREAS, the provision by the Agency of financial assistance has been determined to be necessary (i) in order to permit the Company to preserve its competitive position in the industry and to maintain the jobs associated therewith by replacing obsolete and inefficient facilities; and (ii) in order for the Project to be economically viable and to preclude the consideration of alternatives which would include the relocation of the Company’s operations to a jurisdiction which would not impose so heavy a tax burden upon the purchases involved in the Project; and

WHEREAS, pursuant to Section 927-f and Section 859-a as well as Article 18-A of the New York State General Municipal Law, the Agency provided notice to the local municipality and affected tax jurisdictions and held a public hearing in connection with the Project on the 22nd day of June, 2015, at 10:00 a.m. local time, at the Cold Spring Village Hall, 85 Main Street, Cold Spring, Town of Philipstown, New York 10516 and the Agency provided notice to the local municipality and affected tax jurisdictions; and

WHEREAS, the Agency has reviewed the Environmental Assessment Form (the "EAF") provided with the Application and other documents submitted therewith and has made other inquiries to the Company to determine whether the Project may have any adverse environmental impacts in accordance with Article 8 of the New York State Environmental Conservation Law and Part 6 of the New York Code of Rules and Regulations Section 617 ("SEQR"); and

WHEREAS, the Company will cause there to be a Bill of Sale, an Agency Lease, an Agreement of Sublease and one or more Agency Mortgages and Security Agreements with respect to the Premises, all as part of a Straight-Lease Transaction (the "Straight-Lease Transaction") with the Agency; and

WHEREAS, the Agency proposes to acquire and install at the Premises certain materials, fixtures, machinery and equipment (the "Equipment") (the Premises and the Equipment being collectively hereinafter referred to as the "Project Facility") and that there be a sublease of the Project Facility pursuant to the provisions of the Sublease Agreement , a Project Agreement, dated as of July 1, 2015 (the "Project Agreement") by and between the Agency and the Company, an Agency Lease and Sublease Agreement, dated as of July 1, 2015 (the "Agency Lease") by and between the Agency and the Company, an Agreement of Sublease, dated as of July 1, 2015, by and between the Agency and the Company (the "Sublease"), a PILOT Agreement, dated as of July 1, 2015 (the "PILOT Agreement"), and a PILOT Mortgage, dated as of July 1, 2015 (the "PILOT Mortgage").

NOW, THEREFORE, the Putnam County Industrial Development Agency hereby resolves as follows:

BE IT RESOLVED, that pursuant to SEQR and in accordance with Article 8 of the Environmental Conservation Law, the Agency affirms that the Project herein is part

of an action previously classified as "Type 1" under SEQR by the Village of Cold Spring Planning Board ("Planning Board") accepts the EAF previously adopted by the Planning Board and determines that the Project will not have any significant adverse environmental impacts; and be it further

RESOLVED, that public inquiries regarding the Agency's SEQR determination be made to the Agency's office at 12 Main Street (#263), Brewster, New York, 10509, attn: Richard Ruchala, telephone number – 914- 225-2300; and be it further

RESOLVED, that the Agency will work with the Company and its experts with respect to environmental matters at the Project site, further resolutions below all being subject to resolution of environmental issues to the satisfaction of Agency general counsel, Cuddy & Feder LLP, and Special Counsel, Arent Fox LLP, by additional reports and/or certificates and/or establishment of reserves or escrows concerning environmental issues at the Project site; and be it further

RESOLVED, that the PILOT Agreement, dated as of July 1, 2015, and the PILOT Mortgage, dated as of July 1, 2015, deal with the issue of "Payments-in-Lieu-of-Taxes" ("PILOT"); and be it further

RESOLVED, that the form of Agency Lease, as submitted to this meeting and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. The Chairman or Vice-Chairman or the Chief Executive Officer of the Agency (the "Authorized Officer") are hereby authorized and directed to execute and deliver the Agency Lease with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the form of the Agency Mortgages and Security Agreements, as submitted to this meeting and made a part of this resolution as though set forth in full

herein, be and the same is hereby approved. An Authorized Officer of the Agency is hereby authorized and directed to execute and deliver the Agency Mortgages and Security Agreements with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval; and the Secretary or the Assistant Secretary of the Agency is hereby authorized to affix the official seal of the Agency to the Agency Mortgages and Security Agreements and to attest the same; and be it further

RESOLVED, that the Agency is hereby authorized to enter into the Project Agreement. The form of the Project Agreement, as submitted to this meeting and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. An Authorized Officer of the Agency is hereby authorized and directed to execute and deliver the Project Agreement with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the Agency is hereby authorized to enter into the Sublease. The form of the Sublease, as submitted to this meeting and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. An Authorized Officer of the Agency is hereby authorized and directed to execute and deliver the Sublease with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the Agency is hereby authorized to enter into the PILOT Agreement. The form of the PILOT Agreement, as submitted to this meeting and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. An Authorized Officer of the Agency is hereby authorized and directed to

execute and deliver the PILOT Agreement with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the Agency is hereby authorized to enter into the PILOT Mortgage. The form of the PILOT Mortgage, as submitted to this meeting and made a part of this resolution as though set forth in full herein, be and the same is hereby approved. An Authorized Officer of the Agency is hereby authorized and directed to execute and deliver the PILOT Agreement with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that the Agency is hereby authorized to enter into the Agency Lease. The form of the Agency Lease, as submitted to this meeting and made a part of this resolution as though set forth in full herein, be and the same us hereby approved. An Authorized Officer of the Agency is hereby authorized and directed to execute and deliver the Agency Lease with such changes, insertions and omissions as may be approved by said Authorized Officer, said execution being conclusive evidence of such approval; and be it further

RESOLVED, that an Authorized Officer of the Agency is hereby authorized and directed to execute and deliver any and all documents and instruments, and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this resolution; and be it further

RESOLVED, that this resolution shall become effective immediately upon its adoption.

ADOPTED: July 7, 2015