

Town of Montgomery Industrial Development Agency  
I.D.A. Meeting  
Town of Montgomery Government Center  
110 Bracken Road  
Montgomery, New York 12549

Monday, March 11, 2019  
5:30 PM

Present: Jeffrey D. Crist, Chairman  
Edwin Williams, First Vice-Chairman  
Stephen Rainaldi, Second Vice-Chairman  
Matthew P. Stoddard, Treasurer and Member  
John W. Dickson, Member  
Rodney Winchell, Member

Absent: Anthony Zambrotta, Assistant Secretary

Also Present: Joseph Joy, CEO  
George Cregg, Esq. Hodgson Russ Attorneys  
Members of the Audience  
Suzanne Hadden, Recording Clerk

AGENDA

Call to order  
Re-organization

Stewart Holdings Group, LLC – Hawkins Drive - Public Hearing

Consideration of Local Labor Policy for IDA projects receiving financial assistance

Consideration of Public Hearing Resolution for Patel (Holiday Inn) project

SEQRA Resolution - OCI Project  
Approving Resolution - OCI Project

SEQRA Resolution - Stewart Holdings Project (84 Square)  
Approving Resolution - Stewart Holdings Project

Treasurer's Reports

Other Business  
Approval of the January 14, 2019 Meeting Minutes  
Approval of the February 12, 2019 Meeting Minutes

Adjournment

Call to Order

Chairman Crist called the meeting to order, introduced the board and turned the meeting over to Member Winchell for the nominations and vote for a chairperson of the board for 2019.

Re-organization

Member Winchell said for the re-organization we would ask to entertain a motion for the nomination of the chair for IDA?

Member Stoddard nominated and motioned for Member Crist to be Chairman of the IDA for 2019, seconded by Member Rainaldi. All in favor, all ayes, motion carried.

Chairman Crist said he would take nominations for the board's first vice chair.

Member Winchell nominated and motioned for First Vice-Chairman Williams to remain as first vice chair for 2019, seconded by Member Stoddard. All in favor, all ayes, motion carried.

First Vice Chairman Williams motioned for Second Vice Chairman Rainaldi to remain as second vice chair for 2019, seconded by Member Dickson. All in favor, all ayes, motion carried.

Chairman Crist said the other remaining appointments for will need to be considered at a later meeting.

Stewart Holdings Group, LLC – Hawkins Drive – Public Hearing

Chairman Crist said again I'm Jeff Crist, and I am Chair to the Town of Montgomery Industrial Development Agency (the "Agency") in connection with the project which is the subject of this public hearing.

Today I am holding this Public Hearing to allow citizens to make a statement, for the record, relating to the involvement of the Agency with a project (the "Proposed Project") for the benefit of Stewart Holdings Group LLC, a New York limited liability company (the "Company").

The Proposed Project consists of the following: (A) (1) the acquisition of an interest in an approximate 7.5 acre parcel of land commonly referred to as 60-90 Hawkins Drive, Town of Montgomery, Orange County, NY, Tax Map No. 29-1-23.2 (the "Land"), (2) the construction on the Land of an approximately 81,200 square foot mix-use showroom, office, light manufacturing and warehouse/storage facility (collectively, the "Facility") and (3) the acquisition and installation therein and thereon of machinery and equipment (the "Equipment") (the Land, the Facility and the Equipment hereinafter collectively referred to as the "Project Facility"), all of the foregoing to be owned by the Company, leased by the tenant at the Facility, Tower Holdings Group Inc., and potentially subleasing the Facility to its affiliates; (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

I intend to provide general information on the Agency's general authority and public purpose to provide assistance to this Proposed Project. I will then open the comment period to receive comments from all present who wish to comment on either the Proposed Project or the Financial Assistance contemplated by the Agency with respect to the Proposed Project.

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**Legal Authorization and Powers of the Agency**

The provisions of Chapter 1030 of Laws of 1969 of New York, constituting Title I of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York as amended, and Chapter 527 of the 1971 Laws of the State of New York, as amended, codified as Section 911-c of said General Municipal Law (collectively, the “Act”), authorize the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining and equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others.

**Purpose of this Public Hearing**

Pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the “Act”), prior to the Agency providing any “financial assistance” (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project. Since the proposed “financial assistance” to be provided by the Agency with respect to the Proposed Project may exceed \$100,000, then prior to providing any “financial assistance” (as defined in the Act) of more than \$100,000 to the Proposed Project, the Agency must hold a public hearing on the nature and location of the Project Facility and the proposed “financial assistance” to be provided by the Agency with respect to the Proposed Project.

After consideration of the Application received from the Company, the members of the Agency adopted a resolution on February 12, 2019 (the “Public Hearing Resolution”) authorizing, the Executive Director of the Agency to conduct this Public Hearing with respect to the Proposed Project pursuant to Section 859-a(2) of the Act.

The Temporary Chair of the Agency caused notice of this Public Hearing to be (A) mailed on February 25, 2019 to the chief executive officers of Orange County, the Town of Montgomery and the Valley Central School District and (B) published on February 27, 2019 in the Wallkill Valley Times, a newspaper of general circulation available to the residents of the Town of Montgomery, Orange County, New York. In addition, the Chief Executive Officer of the Agency caused notice of this Public Hearing to be posted on the Agency’s website on March 8, 2019 and also on a public bulletin board located at the Town of Montgomery Town Hall, 110 Bracken Road in the Town of Montgomery, Orange County, New York on February 25, 2019.

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Copies of the notice of this Public Hearing are available on the table.

Now, unless there is any objection, I am going to suggest waiving the full reading of the notice of this Public Hearing, and instead request that the full text of the notice of this Public Hearing be inserted into the record of this Public Hearing. Not hearing any objections.

The comments received today at this Public Hearing will be presented to the members of the Agency at or prior to the meeting at which the members of the Agency will consider whether to approve the undertaking of the Project by the Agency and the granting by the Agency of any “financial assistance” in excess of \$100,000 with respect to the Project.

**Written Comments**

The notice of this Public Hearing indicated that written comments could be addressed to: Jeffrey D. Crist, Member and Temporary Chair of the Agency. No written comments have been received by the Agency prior to this Public Hearing.

**Remarks by the Company**

I will now introduce KRISHNA GREGO of the Company, who will describe the Proposed Project in further detail.

Krishna Grego, CFO for the Tower Holdings Group said we described the project in detail last month, however we will give an overview for everybody here tonight. She said Tower Holdings group is a boutique real estate developer, with the founder having more than 30-years of real estate development. We are very selective on the projects that we undertake, and we are doing a lot of high-rise buildings. We are doing a 76-story building downtown at 125 Greenwich and we do a lot of other mixed-use buildings all over and we are also distributors of curtain wall material. We hold a sole-distributor license for the entire North America and we identify over the course of us working the commercial curtain wall panels that there is a need and market for residential panels as well. This location is off of Stewart Airport and it is conveniently located within an hour and a half of our main market and we thought this would be a perfect location for them to store their curtain wall material which is coming from international and we will be using some of the material which is highly rated for glass and fuse it with silicone.

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Ms. Grego continued - This will be light manufacturing at this location and gear it toward more residential building, which we see as an up and coming demand in this area. We are building, not a typical warehouse, it's an 81,200 square foot Class II office building. It's taking some of our renowned curtain wall that we install on other high-rise buildings, we are using that plus the brick that is coming from Denmark. We are using high quality material to make it look like a nice showroom where we can showcase our product line to the buyers that are currently going to a facility that we have in Poland. Instead of casing them over there, we are going to bring them over here. Along the process we will be bringing jobs to the Town and these are not minimal wage jobs, these are high paying jobs making anywhere from 50 to 150,000 dollars over the course of 3 to 5 years. We are looking for some financial assistance from the IDA board to make the economics of the project work for us. We have close to 60 to 70 thousand square feet of warehouse space in Jersey and we will be looking to relocate that operation into New York, potentially bringing some employees and relocating and hire domestic or local contractors to build this building as well. She would be happy to answer any questions that anybody has.

**Open Public Hearing to the Floor for Comments**

Chairman Crist said he will now open this Public Hearing for public comment at 5:43 o'clock, p.m.

By way of operating rules, if you wish to make a public comment, please raise your hand, and I will call on you. Please wait to be recognized, once recognized, please stand and state your name and address for the record.

When everyone has had the opportunity to speak, I will conclude this Public Hearing. A record of this Public Hearing will be prepared and reviewed by the members of the Agency in connection with the Agency's consideration of the Proposed Project.

Again, the purpose of this Public Hearing is to solicit public comment. We are not here to answer questions. However, we will in the course of this Public Hearing consider questions if we have the information to answer the questions and there is sufficient time to consider such questions.

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Chairman Crist said I will now ask if there is anyone in attendance who wishes to comment on either on the nature and location of the Project Facility or the proposed “financial assistance” being contemplated by the Agency with respect to the Proposed Project.

For the record, please state your name and indicate your comments on either the Proposed Project or the proposed “financial assistance” being contemplated by the Agency with respect to the Proposed Project.

Chris Cerone, Field Representative LECET Representative, LiUNA! Local 17 of 451-B Little Britain Road said on behalf of the Hudson Building Trades we thought it prudent to provide this information to the board members, so they can review it, regarding the applicant and the financial assistance being considered. These packages contain numerous OSHA violations, some safety issues, current litigation regarding the applicant and/or principals of the corporation. As well as history of the different companies that the applicant is involved with. Right now, Tower has under it 6 different companies listed in the United States. There are multiple law suits. There has been one worker fatality which is in litigation as well and prior to granting this applicant any IDA benefits we thought it prudent for the board to be aware of this information. He handed out the information to the board and said we will be providing more information as it becomes available, we are still researching this.

William Fioravanti, Director of Economic Development with Orange County Partnership said he will keep it brief because at the last meeting he was allowed to speak about the benefits of the PILOT program. He is here to speak in support to Stewart Holdings and their incentive just on merit of the project itself. He has been working with this group for many months; over a year, about the project trying to get help to attract them here. They are a solid company, the plan is fantastic, the building is beautiful. It's in the right place and it will spur other development that can happen there. There are a couple of projects that are in the pipeline and if this one takes root, it will spur them along. It's going to be a showcase, a showpiece. It's not your typical warehouse, so, that's another benefit and the jobs are not just jobs for unskilled labor. There's skilled labor, unskilled and management positions and that's why you are seeing that range of salaries. This is truly an incentive and if you were to give them these financial incentives it brings them here; without them they are not able to do the project. So, by definition, this is really what the purpose of these financial tools are for. We just want to lend our support on behalf of the County and thanks for the opportunity as always.

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Chairman Crist asked the board if they have any questions or comments for the public hearing?

Member Stoddard said last time you were in front of us, he had asked for the list and you were looking at contractors and the gentleman said that you were, and he was wondering if they had the list and could present it to the board?

Ms. Grego said they have identified their general contractor, but over the last week they had to revisit the list because they were told by ESD that certain portions of the work, not only be given to the local, but they have to qualify for MWBO status. So, they have to go back and revisit that whole list all over again, but they are looking at that list and they will be happy to provide it.

Chairman Crist asked what that acronym stands for?

Ms. Grego said MWB is for minority women business owned, businesses, so they try to give 30% of the construction to that group based on ESD requirements.

Member Stoddard asked that's under who's requirements?

Ms. Grego said ESD, Empire State Development.

Member Stoddard said so, you're getting something from them.

Ms. Grego said yes, we are approaching that.

Chairman Crist asked if there were any other questions from the board or anybody else in the public concerning Stewart Holdings?

Donald Berger, Montgomery resident said based on what the gentleman said from the building trade, if you guys are going to consider any tax incentives for them to come here based on whatever is in that document he would strongly urge the board to go over that document and make sure everything is cool with this group. It sounds like there is something in there that you guys may want to read about and hopefully the building trade gentleman will address it more and give you more information on it. He doesn't think we want to give PILOT programs to businesses that might have some shady background.

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Ms. Grego said many of the things that you find on the website, they are not fact based, they are like a side-show sometimes that we get dragged into. We are a boutique; with a very high reputation. We have been in business for over 30-years. Our worker's comp rating is .77 and that tells you how well safety matters to us. We have a full-time safety director and every job site has non-working safety personnel at the job to oversee the project construction.

**Formal closure of the public hearing**

Chairman Crist said so, if there are no further comments, I will now close this Public Hearing at 5:53 o'clock, p.m. Thank you for attending.

Member Stoddard motioned for the Public Hearing Resolution Stewart Holdings Group LLC Project be adopted, seconded by Member Winchell, with the public hearing for the project to be held at a future date. All in favor, all ayes, First Vice Chairman Williams and Second Vice Chairman Rainaldi were absent, motion carried.

SEQRA Resolution - Stewart Holdings Project (84 Square)

A discussion was held concerning the Stewart Holdings SEQRA Resolution with the board members and their attorney; noting that the planning board has completed the SEQR Environmental Review for this project.

Member Winchell motioned to adopt the SEQRA Resolution for the Stewart Holdings Project (84 Square), seconded by Member Dickson. All in favor, all ayes, motion carried.

Approving Resolution - Stewart Holdings Project

Chairman Crist said concerning the Approving Resolution for the Stewart Holdings Project, we did receive some detailed information this evening from the public hearing and he would ask the board if they would like some time to review this?

Member Stoddard motioned to table the Approval Resolution for the Stewart Holdings Project, seconded by Member Dickson. All in favor, all ayes, motion carried.

Consideration of Local Labor Policy for IDA projects receiving financial assistance

Chairman Crist said next is the Consideration of Local Labor Policy for IDA projects receiving financial assistance. Matt you had originally brought this to our attention, would you like to introduce this back to the board?

Member Stoddard said the board is looking into doing a local labor policy, for far too long corporations and developers have been coming to Montgomery and building these mega-warehouses and using cheap out of state labor. Some of them not even carrying New York State insurance while receiving millions in tax incentives. He believes any corporation or developer who comes in front of the Montgomery IDA board needs to know that they are not automatically guaranteed tax incentives, but if you are fortunate enough to receive these very generous benefits, you must be a good neighbor with the Town of Montgomery and the men and women who live and work here. In addition to hiring local men and women the applicant must make every effort to utilize local vendors, material suppliers, sub-contractors and professional services from Montgomery and the surrounding areas, when these corporations and developers receive local tax incentives, the worker should not be from out of state, we should be fueling our economy instead of fueling the economy of other states.

Chairman Crist asked if the board had any questions or comments?

Member Dickson said he echoes what Matt said, he believes the Montgomery IDA should adopt the local labor policy that is being proposed. The companies come here because it is a desired location for business. They need the tax breaks to compete with other locations. If these companies want a tax break from us they should have to hire local people to do their projects. Local people live here, work here, pay taxes here and are the backbone of our economy. I have seen other projects get tax breaks and then bring in out of state workers to build their buildings. This policy not only helps local workers but also the business that employ these people. The County has a local labor policy and I believe we should too. I would like to hear any good arguments against this policy because I cannot think of any.

First Vice Chairman Williams asked Attorney Cregg if he was familiar with the policy and if he found everything to be alright?

Attorney Cregg said yes.

Second Vice Chairman Rainaldi said he is familiar with the labor policy and he is more than happy for local labor to get their dibs in first.

Consideration of Local Labor Policy for IDA projects receiving financial assistance

Chairman Crist said a concern from the public is projects bring in a lot of labor from outside the area, and this helps to manage that process with quite a bit of comprehensiveness and record keeping and auditing. In fairness it does allow for some exceptions where all of us feel on the board are appropriate. If there's a manufacturer's warranty, or a specialist who isn't available here in the region and this region covers six counties. Orange, Ulster, Dutchess, Rockland, Westchester and Sullivan and for those reasons he supports it and he would ask for a motion to adopt this local labor law policy.

Member Winchell said a lot of the projects we work on, companies are hiring and paying them from say, Arkansas to Texas or Canada. So, the checks never come into the state. So, we have no idea if they have compensation or any insurance. It's a good opportunity to try to refuel our own economy with these projects, besides the laundromats and hotels.

Member Stoddard motioned to adopt the Local Labor Policy, seconded by Member Winchell. All in favor, all ayes, motion carried.

Consideration of Public Hearing Resolution for Patel (Holiday Inn) project

Chairman Crist said the next item is a Resolution for the board's consideration to hold a Public Hearing for the Patel (Holiday Inn) project. He asked the board if they had any comments or questions? Hearing from no one he asked if anyone was present for the project?

Rakhil Patel, applicant said they are in the process of taking over the hotel from Goodwill Properties and the purpose of this meeting was for the current program that they have in place to take over the assigned PILOT program as well as the sales tax exemption. As the owner takes over there will be property improvements made for any kind of taken mortgage, so there will be some soft good changes, carpeting and little things like that. So, there would be the need for the sales tax exemption for that and the mortgage tax recording reduction, which would also be something they would like applied to this.

Member Stoddard motioned to adopt the Resolution for the Consideration for the scheduling of the Public Hearing for the Patel (Holiday Inn) project, seconded by Second Vice Chair Rainaldi. All in favor, all ayes, motion carried.

SEQRA Resolution - OCI Project

Chairman Crist reviewed the SEQRA Resolution for the OCI (Kadge) project.

Attorney Cregg reviewed the project with the board.

First Vice Williams motioned to accept the SEQRA Resolution for the OCI (Kadge) project, seconded by Second Vice Chairman Rainaldi. All in favor, all ayes, Member Winchell abstained, motion carried.

Approving Resolution - OCI Project

Chairman Crist reviewed the OCI Project Approving Resolution.

Attorney Cregg described the project with the board.

Second Vice Chairman Rainaldi motioned to accept the Approving Resolution for the Orange County Ironworks Project, seconded by First Vice Chairman Williams. All in favor, all ayes, Member Winchell abstained, motion carried.

Treasurer's Reports

Member Stoddard reviewed the December 2018, January and February 2019 Treasurer's Reports.

First Chair Williams motioned to accept the Treasurer's Reports as presented, seconded by Member Winchell. All in favor, all ayes, motion carried.

Old Business

There wasn't any business discussed.

Approval of the January 14, 2019 Meeting Minutes

Member Winchell motioned to approve the January 14, 2019 IDA minutes as written, seconded by Member Dickson. All in favor, all ayes, motion carried.

Approval of the February 12, 2019 Meeting Minutes

Member Winchell motioned to approve the February 12, 2019 IDA minutes as written, seconded by Member Dickson. All in favor, all ayes, motion carried.

Member Dickson motioned to adjourn the meeting, seconded by Member Stoddard. All in favor, all ayes, motion carried.