

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

Monday, May 13, 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

Absent: Rodney Winchell, Member
John W. Dickson, Member

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

AGENDA

Call to order

Restwell Properties INC. from Goodwill Properties, LLC
(Holiday Inn Express & Suites)– NYS Rte. 208
Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

The Montgomery Group, Inc. – Learning Together, Inc. – NYS Route 17K
Village of Montgomery – Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

SEQRA Resolution - Restwell Properties INC. from Goodwill Properties, LLC
(Holiday Inn Express & Suites)– NYS Rte. 208
Approving Resolution - Restwell Properties INC. from Goodwill Properties, LLC

SEQRA Resolution - The Montgomery Group, Inc. – Learning Together, Inc.
Approving Resolution - The Montgomery Group, Inc. – Learning Together, Inc.

Treasurer's Report for March

Other Business

Deposit and Investment Policy
Property Acquisition Policy
Property Disposition Policy

Approval of the March 11, 2019 Meeting Minutes
Approval of the April 30, 2019 Special Meeting Minutes
Adjournment

Call to Order

Chairman Crist called the meeting to order and introduced the board.

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Chairman Crist said our first item on the agenda is the Reswell Properties, INC., which is a rollover from Goodwill Properties, LLC and we have a public hearing process which was scheduled previously, and he will outline that process in the hearing notice. Due to the formality of this process he is going to be reading from a prepared document, which will go into the record. It's for the property just mentioned, the hearing time is 5:30 p.m. on May 13, 2019.

My name is Jeffrey D. Crist, and I am Chairperson 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 Restwell Properties Inc., an New York corporation with an office for the transaction of business located at 7 Rubinstein Court, New Hempstead, New York (for convenience hereinafter referred to as the "Company").

On July 24, 2013 (the "Closing Date"), the Agency entered into a lease agreement dated as of July 1, 2013 (the "Lease Agreement") by and between the Agency and Goodwill Properties LLC (the "Company") for the purpose of undertaking a project (the "Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 2.80 acre parcel of land located at the intersection of 491 Goodwill Road and 2099 State Route 208 (Tax map no.: 29-1-24.2) in the Town of Montgomery, Orange County, New York (the "Land"), (2) the construction on the Land of an approximately 45,000 square foot building (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 constitute an 80 room hotel facility; (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.

On or about January 8, 2019, Rakhil Patel ("Assignee Applicant"), an individual residing in the State of New York, having an office for the transaction of business located at 7 Rubinstein Court, New Hempstead, New York, submitted an application (on file with the Agency) (the "Assignment Application"), which Assignment Application has been assigned to Restwell Properties Inc., a New York corporation (the "New Company"), which Assignment Application, and subsequent letter requests dated April 2, 2019 and May 2, 2019 to the Agency, requested that the Agency (A) consent to and approve the assignment to, and assumption by the New Company, of all of the Company's interest in the Project Facility and the Basic Documents, including but not limited to the benefits of the Lease Agreement and the Payment in Lieu of Tax Agreement,

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Chairman Crist continued - (B) to authorize the assumption by the New Company of all obligations of the Company under the Basic Documents, including, but not limited to the Payment in Lieu of Tax Agreement, the Lease Agreement and the Project Benefits Agreement, pursuant to an assignment and assumption agreement (the "Assignment and Assumption Agreement"), and (C) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing for the New Company, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "New Company Financial Assistance")

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.

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 March 11, 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 Chairperson of the Agency caused notice of this Public Hearing to be (A) mailed on April 23, 2019 to the chief executive officers of Orange County, the Town of Montgomery and the Valley Central School District and (B) published on May 1, 2019 in the Wallkill Valley Times, a newspaper of general circulation available to the residents of Town of Montgomery, Orange County, New York. In addition, the Chairperson of the Agency caused notice of this Public Hearing to be posted on April 23, 2019 on a public bulletin board located at the Town of Montgomery Government Center located at the offices of the Agency at 110 Bracken Road in the Town of Montgomery, Orange County, New York.

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Chairman Crist continued - 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.

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, Chairperson 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 Rakhil Patel of the New Company, who will describe the Proposed Project in further detail.

Rakhil Patel, applicant said we are in the process of seeking purchasing the Montgomery Holiday Express and there is an IDA program that is already currently with that property. So, our request is to have that transferred to the new ownership and to continue to operate the hotel as is, but also the benefits that were included in that program would be used for our use as well as for any future renovations.

Open Public Hearing to the Floor for Comments

I will now open this Public Hearing for public comment at 5:42 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.

Please keep your comments to three (3) minutes so that all those present today may have a chance to comment for the record. If your comments mirror those of someone who has already spoken, you may so indicate and then relinquish the podium to another speaker so that all views represented at this hearing may be heard.

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.

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Chairman Crist continued - 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.

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.

Joan Buck Smith, audience of 364 Goodwill Road Montgomery asked, in the newspaper, the name of the person submitting this, is this person here, the Chief Executive Officer of the Town of Montgomery IDA?

Chairman Crist said yes, that would be Joseph Joy.

Ms. Buck Smith said you didn't introduce him, so we didn't know.

Chairman Crist said I'm sorry he came in late, so he is being introduced now, since you requested.

Ms. Buck Smith asked if all of the members of the board are Town of Montgomery residents?

Chairman Crist said they would have to be and asked each member and they all responded yes.

Ms. Buck Smith asked Mr. Joy?

Joseph Joy, CEO said no.

Chairman Crist said he is not a member of the board, he's a hired Chief Executive Officer for the IDA board of Montgomery.

Ms. Buck Smith asked if that was common to have your Chief Executive Officer hired?

Chairman Crist said he doesn't have experience in other locations and asked Attorney Cregg if he could answer that?

Attorney Cregg said it used to be that the Chairman of the IDA often served as the CEO and then there was an Executive Director. When the Public Authorities Accountability Act was adopted in the middle 2000's they prohibited board members from serving as the CEO of a public authority which they categorized the IDA as being a public authority. A couple of years ago they repealed that restriction, so you could have a board member serving as the CEO, or the board member serving as the CEO can't be paid and the IDA for years had an unpaid CEO and sometimes the CEO position was left vacant and there was a feeling a few years ago that perhaps having a paid staff might assist in boosting the IDA's volume; that's the background.

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Ms. Buck Smith asked are the board members appointed or elected?

Chairman Crist said we are appointed by the Town Board.

Attorney Cregg said the board members are appointed by the elected town board and they serve at the pleasure of the elected town board. So, they can be replaced at any time, they do not have terms of office.

Ms. Buck Smith said the notice in the newspaper did not make it clear that the proposed new owner of the hotel wanted to just turnover the current IDA agreement. Is that what is happening now?

Chairman Crist said that's part of what the request and application is. There's also a component that Mr. Patel did not allude to that is new.

Ms. Buck Smith asked could you go over the agreement with the present owners of the hotel and what that was for?

Attorney Cregg said the present owner of the hotel were given a tax lease to induce the construction of the hotel. There were certain benefits given to the owners that were mortgage tax and sales tax at the inception and a payment lieu of tax agreement. The proposed new owner is requesting two things, the payment in lieu of tax agreement be allowed to continue, and he be allowed to step into the shoes of the current owner and pick up the applications of the current owner going forward on that payment lieu of tax agreement and the second request is in connection with his purchase. He is planning to make some renovations to the project and he is requesting sales tax exception on the materials purchased for those renovations. The number of the purchase is around a million two and the sales tax exemption is around 60 to 70 thousand dollar range and he is also requesting a mortgage tax exemption on a borrowing which he is proposing to undertake in connection with the new project and thirdly and lastly he is requesting sales tax exemption on the portion of the project that he's acquiring that would require payment of sales tax and that number is around the same range of the new project; it may be a little higher. One is let him step into the shoes of the present owner on the existing PILOT, not requesting any additional PILOT dollars. Secondly is a refresh. If anybody has ever been in a hotel, you know that every certain period of time, you have to refresh the hotel. Put in new flooring, new rugs, new furniture, so the hotel doesn't look worn out and thirdly, in connection with this purchase, they are allocating the purchase price between real property and personnel property and normally you'd be required to pay sales tax on the portion of that purchase, which is the real property component and their asking for exemption on that and then the fourth exemption their looking for is mortgage recording tax exemption on the new mortgage that they're going to incur in connection with the purchase and the renovation.

Ms. Buck Smith asked has this board ever done a turnover; give it to the next owner?

Attorney Cregg said he didn't remember if that has been done here, but he knows it is not an uncommon request. Typically, somebody builds a facility, like a hotel and they don't own it for the 30-year length of the hotel and somebody may come along and request a change of ownership. Something might happen with the current tax situation or family situation, which requires a sale to a new owner.

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Clerk Hadden said she thought FedEx may have done something with a remortgage along the line.

Attorney Cregg said he's certain that they have done refinancing, mortgaging for existing projects and it's not unusual for a new owner to come in and there are two ways a new owner can buy a project. If the new owner bought all the shares of the owner, the owner of a project like these hotels are typically either a corporation or a limited liability company, a new owner can step in and buy the ownership interest in that holding entity and that wouldn't require any permission from the IDA because from the IDA's perspective nothing has changed. The second way a new owner will come in is they will form their own company, entity and they will purchase it from the existing entity and that will require the existing entity to pay certain taxes if there are any gains on that sale and the new owner would be a different entity than the exiting entity and that change in ownership would require IDA approval.

Ms. Buck Smith said this could be that this is the first hotel in Montgomery, most of your projects are warehouses. Where are we in the PILOT of the hotel? A PILOT for a warehouse is usually 10-years and they go from 10 to 90 to 100 percent at the end of time. Could we know what this PILOT is and for how long?

Chairman Crist said it was initiated in 2013 and it was a 15-year PILOT; which would put us somewhere in the 6-year timeframe or maybe starting the 7th July 1st.

Ms. Buck Smith asked if there was anything in the agreement that's made with any of these companies, the warehouses that are built, that if they don't stay the whole time to come up to 100% of taxes when they're finished that they have to repay? That's how it should be.

Chairman Crist said if they don't abide by the agreement there can be a recapture and to that point at our last meeting we actually instituted a recapture policy and in order for that particular property to be sold it had to get freed up from various liens and encumbrances that were on the property so we took in several sizeable checks that had to go back in reverse through the system on their real estate taxes.

Ms. Buck Smith asked if this was a different company that he is talking about?

Chairman Crist said yes, but it happened here at the last meeting, on the 30th of April.

Ms. Buck Smith asked is that part of your consideration, whether you should do that or not?

Chairman Crist said it is part of the rules, he doesn't think the board really considers if they should do it or not. It's our responsibility if an applicant or an IDA project is not living up to their agreement we have an obligation to correct it and there is wording in these agreements that state that will happen.

Ms. Buck Smith asked could this happen in this instance?

Chairman Crist said yes, we don't expect it, we don't go into projects expecting that to happen, but it could happen on any of the projects if they haven't completed the agreement.

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Ms. Buck Smith said I'm a tax payer of the town and the tax payers are footing the bill when all these projects get their PILOTs and are not paying much. Is that not true?

Chairman Crist said he was not sure if this is the setting to debate the IDA process, but he feels that it is not true. Your taxes will be the same if they don't come and part of the philosophy by New York State in the authorities of the IDA's to function is to bring new business into town which theoretically will spread the tax base. This is a delay in collecting some of the taxes which may be better than having the company go somewhere else. Now the hotel is here, and we certainly don't expect it to close, but the whole IDA thought process is to encourage business and it is right in our documents. Employment and vitality of the town.

Ms. Buck Smith said she is concerned as a local business owner and a tax payer that we have extended this to the hotel and the present owner is going to walk away and this will have to start over again.

Chairman Crist said your comment is so noted; we are going to have to move along and I would like to give other people a chance to speak as well.

Ms. Buck Smith asked as a small business owner in the town, can a small business owner apply to the IDA? I have to put a roof on my project. Could I apply to get no payment of sales tax and things like that?

Chairman Crist said you would have to fit into the context of what is available to us legally to consider. He is not aware if there is a size limit on a business or a minimum size that you would have to meet to apply.

Attorney Cregg said the only thing that would drive a size limitation is for certain costs in going through the IDA and presumably you're trying to achieve certain benefits and if the cost of going through the IDA outweigh the benefits of going through the IDA, obviously it doesn't make much sense and what we find is that if the costs and the benefits and even if the costs are less than the benefits, there's a certain hassle factor of going through the IDA with a bunch of documents and requirements for lawyers and things like that, that also put a limitation on it. So, presumably there are programs that the state and many municipalities have for small businesses. The IDA benefits tend to be more for medium and larger businesses and as Jeff said there is no legal limitations on how small a project can be, but as I indicated there are practice laws of limitations.

Ms. Buck Smith asked could you tell us how much the proposed owner had to pay to get on the docket here?

Clerk Hadden said there is an application fee of \$500.00.

Chairman Crist said there is a \$500.00 application fee and he also had to go through the steps of the application, which typically are projects that come before, whether it's the IDA board or the planning board, but a fairly serious responsibility to provide professional documents which causes hiring of people going through the SEQRA process can involve some professionals that cost money.

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Chairman Crist continued and said he has a document that was provided by George's firm, we're authorized to take the following types of projects under consideration, manufacturing, industrial, warehousing, research, commercial, industrial pollution control, recreation, horse racing, railroad, a facility implementing a state designed urban cultural park management plan, a state certified continuing retirement facility, a civic facility, mostly owned or operated by not for profit. Is that accurate George?

Attorney Cregg said except a civic facility is lapsed, so you do your civic facility through your Capital Resource program.

Ms. Buck Smith asked so which of these did Mr. Patel file under?

Attorney Cregg said this is filed under a commercial facility and it's also got an exception from the retail prohibition that the state put into the statute because it's a tourism destination facility. The tourism destination facility you have to draw a significant number of customers from outside the state defined economic development region in which the IDA is located. So, essentially people from a couple of counties away and people from out of state. So, a regional mall may qualify as a tourism destination facility. A local barbershop probably wouldn't.

Chairman Crist asked if anyone else would like to comment on this?

Donald Berger, audience said as far as the new owner in continuing the existing PILOT program, he doesn't have much of a problem with that. It's there, it's not going to throw him off that much, but what he does object to are the two or three additions that the applicant is looking for. You guys are probably aware he is not an IDA guy. There is too much of this going on around here, particularly in the Town of Montgomery. He doesn't know what Patels do other than are in the process of purchasing this hotel. He doesn't know if they have chains of hotels, he doesn't know what they have. He doesn't know what they have in their bank accounts, he doesn't know what they can or can't afford, but be it as it may, you have an existing hotel, it's a nice hotel. He personally has seen people in that hotel from outside of our area come in with sports teams and he has been involved with that; he doesn't have a problem with that. He thinks the PILOT on that type of business in here in this town is warranted, but to continue more PILOT programs, the three that he believes the attorney was referring to, he doesn't think you have to keep piling on, it has to stop somewhere. Somebody has to pay for something, not the taxpayers all the time. We can't have our residents paying for everything around here. You guys on your agendas have all kinds of things going on with IDA, with warehousing, other things that are going on in Walden, in and around our town. You know guys and gals, when does it stop? When do we say whoa, let's pull it back a little bit and give our residents a little bit of a break. We are the people that do live here. Again, he doesn't have a problem with the continuation of the PILOT, but the three additional things for whatever renovations, that's the cost of doing business. Putting new rugs in as the attorney referred to is the cost of conducting business. Taxpayers shouldn't have to have the burden of giving these gentleman here additional IDA considerations. Thank you.

Chairman Crist asked if anyone else would like to speak?

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Barbara Lerner, audience said she tends to agree on the sales tax issue for continuing business for material. They recently put a roof on a portion of her building, although the roof replacement was over a million dollars, she didn't request a sales tax exemption on the materials portion because it is as Mr. Berger said the cost of doing business. We do need to stop this, the PILOT agreement is in place and the land tax, that I completely agree with continuing, it's part of the continuing operation, but each time somebody comes in front of the board they ask for material sales tax exemption, it puts the burden on the small person because the small business can't afford to hire the legal assistance to navigate them through all of the paperwork that these projects entail. Sometimes we have to sit back and really think about the smaller businesses that have been here for a while.

Chairman Crist said thank you and asked if anyone else would like to speak? Hearing from no one, he asked if any board members had any questions?

Member Stoddard asked how many employees do you have?

Mr. Patel said he is not sure exactly, maybe 20 to 25.

Member Stoddard asked what do you plan on having, the same amount?

Mr. Patel said yes, same operation, run the same way.

Member Stoddard asked counsel, we have 9 more years on this for the PILOT?

Attorney Cregg said Jeff has done more research on this PILOT than he has. What they are asking is to step into the shoes of the existing PILOT.

Member Stoddard said okay, so they are going to take over where the last one left off.

Attorney Cregg said right, so if it was originally a 15-year PILOT, 7 years have gone by there are only 8 years left. You're not being asked to extend the 8 years, the 8-year PILOT would still terminate where it otherwise would have terminated.

Member Stoddard asked if there are other exemptions for this company?

Attorney Cregg said they have asked for three extra exemptions, one is a sales tax exemption on the purchase of the equipment portion of the existing hotel, and that's roughly 80,000. The sales tax on the property being purchased, they've put a value of 975,000 on the property being purchased and you multiply that by 8% and it comes out to about \$78,000.00. Secondly, they've asked for a sales tax break on the materials they acquired in connection with the renovation. They've estimated those materials at 750,000 times 8% is a sales tax exemption of 60,000 and lastly, they've asked for a mortgage tax exemption on a new mortgage that they're going to put in place in connection with the purchase and the application, it indicates the value of the mortgage recording tax exemption being sought is \$80,000.00.

Restwell Properties INC. from Goodwill Properties, LLC (Holiday Inn Express & Suites)
NYS Rte. 208 - Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Member Stoddard said so, if the original owner of the hotel would have been here, that owner would not have gotten these extra exemptions. Correct?

Marc Devitt, current owner of the hotel said I could apply for them if I wanted to refinance the hotel. I'd certainly be entitled to do that and would qualify under the IDA's policy and I could also request it if I was going to make a million-dollar investment into the renovation of the hotel. I could also request sales tax exemption on the cost of the goods purchased for that. The IDA just instituted the local labor policy, right? As part of that in that request, if the IDA were to grant some of that, that would also have to adhere to the local labor policy. So, if you are going to grant him that money and it's around \$78,000.00 of exemption in sales tax, for them to make that kind of injection into the property, in building that up, they are also going to have to use the local labor force too and I can certainly apply whether the IDA wanted to consider that or not.

Member Stoddard said to approve it or not is another question.

Chairman Crist asked anybody else?

Ms. Buck Smith said as far as the mortgage tax exemption they're looking for, you've already done it the first time. Correct?

Chairman Crist said he believed so.

Ms. Buck Smith said the first owner would have gotten his mortgage tax exemption, so that means this town has already missed getting that money, that they would have been entitled to. So, why would you entertain a second owner getting the same exemption and our town doing without because a large portion of the mortgage tax comes back to this town and it goes into our coffers; she believes.

Chairman Crist said the applicant has a right to request it in an application, how this board is going to respond to that will be determined.

Ms. Buck Smith right, I'm speaking to the board, and I would hope you would consider not granting that part of it.

Chairman Crist said thank you, so now we are at 6:12 p.m. and he is not aware of any other questions to come before the public hearing or the Restwell Properties and would hereby close the public hearing. We will now determine the hearing is now closed for Restwell Properties. Thank you for attending.

The Montgomery Group, Inc. – Learning Together, Inc. – NYS Route 17K
Village of Montgomery – Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Chairman Crist said the next item on our agenda is the Montgomery Group Public Hearing and this hearing was set to start at 5:45 p.m. so, we are after the time for us to start.

My name is Jeffrey D. Crist, and I am Chairperson 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 The Montgomery Group, Inc, a New York business corporation (the “Company”).

The Proposed Project consists of the following: (A)(1) the acquisition of an interest in an approximately 1.77 acre parcel of land located at 220 Ward Street (tax map number 203-1-12.12) and 228 Ward Street (tax map number 203-1-12.212) in the Village and Town of Montgomery, Orange County, New York (collectively the “Land”), (2) the construction on the Land of an approximately 11,000 square foot two (2) story building (the “Facility”), and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (collectively, the “Equipment”), all of the foregoing to constitute a special needs pre-school (the Land, the Facility and the Equipment being collectively referred to as the “Project Facility”); (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.

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.

The Montgomery Group, Inc. – Learning Together, Inc. – NYS Route 17K
Village of Montgomery – Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Chairman Crist continued - 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 April 30, 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 Chairman of the Agency caused notice of this Public Hearing to be (A) mailed on May 1, 2019 to the chief executive officers of Orange County, the Town of Montgomery and the Valley Central School District and (B) published on May 1, 2019 in the Wallkill Valley Times, a newspaper of general circulation available to the residents of Town of Montgomery, Orange County, New York. In addition, the Chairperson of the Agency caused notice of this Public Hearing to be posted on May 1, 2019 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.

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.

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, Chairperson of the Agency. There weren't any written comments received by the Agency prior to this Public Hearing.

Remarks by the Company

I will now introduce Marc Devitt of the Company who will describe the Proposed Project in further detail.

Marc Devitt, representing the applicant which is seeking the assistance of the IDA to construct approximately 11,000 square foot addition to an existing, special needs integrated preschool. Currently they have approximately 40 employees, about 108 students and they look to add another 32 full time positions and go to 160 students. The total cost of the project is under 1.2 million dollars and it will add 4 classrooms and some extra recreation space as well.

The Montgomery Group, Inc. – Learning Together, Inc. – NYS Route 17K
Village of Montgomery – Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Mr. Devitt continued - Fifty percent of the students right now are from the Valley Central School District, whether they are private paid students or students that are identified from the district and placed in the program and about 30% of the employees are from the Town of Montgomery area and I'll entertain any questions from the public or the board that you have. Maybe you'd like to hear from Kathy, just to describe the program because some of the members weren't here the last time we were here.

Kathy Masloski Executive Director of Learning Together said Learning Together is an integrated preschool program and we're regulated and approved by the state and the reason we came to this area is because it was identified as an area that did not provide enough children to be in an integrated setting. What that means is that half of our classrooms are children with identified special needs and they are integrated with children from the community who are private paid students and being in preschool pediatrics for over 30 years, we know that children learn from children and this is really the way of life and this is what we want to do, is to provide those children with an integrated opportunity. As Marc says, we have at least 50 percent of our population of our students right now are from the Valley Central School District or from the community. The remainder of the students are from the Orange County area. We are growing leaps and bounds, there are so many children in the area that require additional support and we did request from the state an additional 4 classrooms because we have waiting lists for children and it's very difficult to turn away a family who really wants to be a part of our program. So, the state does a need of determination, to see if there is a need for this and there was. So, we've been approved for 4 additional classrooms to start in September, if we're able to do that.

Open Public Hearing to the Floor for Comments

Chairman Crist said I will now open this Public Hearing for public comment at 6:21 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.

Please keep your comments to three (3) minutes so that all those present today may have a chance to comment for the record. If your comments mirror those of someone who has already spoken, you may so indicate and then relinquish the podium to another speaker so that all views represented at this hearing may be heard.

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.

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.

The Montgomery Group, Inc. – Learning Together, Inc. – NYS Route 17K
Village of Montgomery – Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Chairman Crist said 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.

Joan Buck Smith, audience said this is for the director and asked if the pre-school program that is approved by New York State, it may be fourth grade, maybe not, if the children are entitled to attend pre-school in their own district, is this true?

Mrs. Masloski said currently there is a universal pre-k program in Valley Central and there are about 150 children in that program and she thinks it’s a lottery. We are part of the universal pre-k program, we have 8 of the universal pre-k and that’s how many kids have been allotted to us. We became the newest member of the universal pre-k, so out of the 150 students we have 8 of them. The remainder of the students are at various pre-school programs right in the area and those children do attend pre-school programs.

Ms. Buck Smith asked so there is cost to families who don’t get in on the lottery to go someplace?

Mrs. Masloski said just like any other pre-school program in the area, there is a cost for our pre-school program for the children in the community.

Ms. Buck Smith asked so, the school system doesn’t pick up for all the children who go to pre-school?

Mrs. Masloski said no, so, we are state approved and regulated and county funded. So, the children who do not pay to come to our program, we are funded by the county for those children. Those are children with identified special needs. So, they have been identified as a child who cannot be in a day-care, they need a specialized program, with a special education teacher. Our classrooms are run by master level special education teachers. So, those children are placed in our program through the school district and the county funds that and the remainder of the children are private paid students from the community, just as they would be for any other pre-school program, but the beauty is that they are integrated. The children are together and also the expertise that we have, because it is a master leveled special educator certified teacher’s assistant; a full staff of critical support. So, it is a high level of expertise in terms of every child’s development.

Ms. Buck Smith asked is there presently a PILOT program and a mortgage tax relief on this facility?

Chairman Crist said on the existing part of the facility, not that I’m aware of, no.

Ms. Buck Smith asked so this is just on the addition that is being proposed.

Chairman Crist said correct.

Donald Berger, Village of Montgomery said he could say finally, that if there’s anything he would be in favor of this IDA supporting, it’s a project like this. These are the types of things that the Town and Village of Montgomery, as well as Walden and Maybrook should be all compensating and want to bring in. He has seen the existing building, the new building that Marc put up and it is beautiful.

The Montgomery Group, Inc. – Learning Together, Inc. – NYS Route 17K
Village of Montgomery – Public Hearing pursuant to the General Municipal Law for
Proposed Project and Financial Assistance

Mr. Berger continued - He expects the second building that is going to go up, is going to be equally beautiful. He sees all the kids that run around at the day care and everything that is in your facility and in that surrounding area, it's just absolutely wonderful. He's a kid's guy and especially for children with special needs. We need more facilities for these kids because they are the ones that are lacking and not getting the stuff in public schools, that you are giving them. So, it's with things like this that he is overwhelming in support of. Something like this because this benefits our community. He doesn't see them running off going anywhere after 10-years. He thinks she's digging in, unlike these warehouses you guys have in front of you. So, he is fully in support of whatever Marc does over there and the director.

Chairman Crist asked if anyone else had anything? Hearing from no one, he asked the board members if they had any comment or questions?

Member Stoddard asked, you said they did a study and it showed that this area could use the expansion, the expansion that you're requesting, is it enough? Does the study show that it could have been a bigger expansion?

Mrs. Masloski said when we first heard about Orange County being a hot spot for not having enough integrated programming, the talent is that you have to prove need before you can start. So, when my husband and I decided to do this, we live in Orange County, so, we asked initially for 7 classrooms and we were only able to prove need by the state for 5 and that's how we started and as soon as we were in we were able to prove need. So, how you prove need is you ask the surrounding school district, if they have a child who is currently placed elsewhere, who's needs would be better met with this program. So, you're a liaison, everybody who puts their information together and sends it to the state and then the state looks at the numbers and they do a determination of what they feel would be able to support a school. So, when we started we asked for 7 classrooms and we were only approved for 5 and we were no sooner in the door last year when the county came to us and said we love your programs, the families of your programs, it's the most integrated program we have, can you do more? So, she went to the state and did a determination again and 2 more classrooms were approved. We opened one last year, we opened another one this year and again the county came to us and said, we need you to do more. We've been asked to go to Warwick and MinisinkValley and Monroe Woodbury, but this is really a central spot to really capture the children who have the needs.

Formal closure of the public hearing

Chairman Crist said so, if there are no further comments, I will now close this Public Hearing at 6:28 o'clock, p.m. Thank you for attending.

Chairman Crist said we have a couple other items of business to address tonight; to the degree the board is ready to take any action on these other items. The first one would be a preliminary discussion on Restwell Properties. I would suggest that we have some open questions that probably we should get some input on and I'm not sure that we are prepared to get those answers tonight related to the public hearing and maybe within our board itself. Any other thoughts on that board members? I'm suggesting that we pass on the SEQRA Resolution and Approving Resolution for Restwell Properties tonight. We have a draft that we can consider, but again in light of the questions that have come up tonight, I think we need to consider those inputs and act at a later date. The board members agreed.

SEQRA Resolution - The Montgomery Group, Inc. – Learning Together, Inc.

Chairman Crist said concerning The Montgomery Group, we have a SEQRA Resolution as well as an Approving Resolution. Here I think our path is much clearer and we have no objections and I don't think there are any unanswered questions at this point. The board has those documents in front of them, starting with the SEQRA Resolution and SEQRA was covered previously by the planning board of the Village of Montgomery, since this is a Village property and not the Town of Montgomery Planning Board. If anyone would like to move that SEQRA Resolution for the Montgomery Group, I would suggest you do so. Is there a motion to approve that SEQRA Resolution?

Member Stoddard motioned to approve The Montgomery Group SEQRA Resolution, seconded by First Vice-Chairman Williams. All in favor, all ayes, Members Dickson and Winchell were absent, motion carried.

Approving Resolution - The Montgomery Group, Inc. – Learning Together, Inc.

Chairman Crist said now the Approving Resolution for The Montgomery Group. George are there any highlights we should mention that we haven't already covered under the previous due diligence as well as the public hearing tonight?

Attorney Cregg said for the board members, if you look at the 3 exhibits to the Resolution, the first exhibit is the expected public benefits and it talks about retaining the existing 40 jobs, creation of 32 new jobs, creation of local construction and private sector investment of 1.175 million. The recapture events are on Exhibit D and those are intended to match the public benefits and then in Exhibit C is the sworn sheet for your Uniform Tax Exemption Policy and that scoring sheet indicates that the project score is 14 on your policy and 14 points would give them the Level 3 benefits; which are your most generous benefits.

Chairman Crist said this also equates to a 15-year PILOT?

CEO Joy said for this project yes.

Approving Resolution - The Montgomery Group, Inc. – Learning Together, Inc.

Attorney Cregg said and that PILOT would apply to the postage stamp underneath the addition so, the existing property that is on your tax rolls will stay there; it's the new addition that will be removed from the tax rolls given the 15-year PILOT. So, it can function similar to the 485B exception for new commercial construction; which is only a 10-year exemption.

Second Vice Chairman Rainaldi motioned to approve the Approving Resolution for The Montgomery Group, Inc. – Learning Together, Inc, seconded by Member Stoddard. All in favor, all ayes, Members Dickson and Winchell were absent, motion carried.

Treasurer's Reports

Member Stoddard reviewed the March 2019 Treasurer's Reports.

First Vice-Chairman Williams motioned to accept the March Treasurer's Report as presented, seconded by Second Vice-Chairman Rainaldi. All in favor, all ayes, Members Dickson and Winchell were absent, motion carried.

Other Business

Deposit and Investment Policy
Property Acquisition Policy
Property Disposition Policy

A discussion was held on the three proposed policies.

Member Stoddard motioned to adopt the Deposit and Investment Policy, the Property Acquisition Policy and the Property Disposition Policy, seconded by Second Vice Chairman Rainaldi. All in favor, all ayes, Members Dickson and Winchell were absent, motion carried.

Approval of the March 11, 2019 Meeting Minutes

Second Vice Chairman Rainaldi motioned to approve the March 11, 2019 IDA minutes as presented, seconded by First Vice Chairman Williams. All in favor, all ayes, Members Dickson and Winchell were absent, motion carried.

Approval of the April 30, 2019 Special Meeting Minutes

The approval of the April 30, 2019 special meeting minutes was tabled because there wasn't a voting quorum of the agency present.

CEO Joy discussed the proposal for Volum 8 to perform a monthly service for the IDA website with the board; the monthly fee would be \$120.00.

A discussion was held.

Second Vice Chairman Rainaldi motioned to approve Volum 8 to provide a monthly service of \$120.00 for the support and maintenance of the IDA website, seconded by First Vice Chairman Williams. All in favor, all ayes, Members Dickson and Winchell were absent, motion carried.

Attorney Cregg advised the IDA that an authorization would be necessary for the sales tax to be sent to the state from the recapture money received from the Pollich Tallix project that was terminated.

Member Stoddard motioned for the authorization of the IDA to sign the form and to send the sales tax recapture funds to the state from the termination of the Pollich Tallix project, seconded by First Vice Chairman Williams. All in favor, all ayes, Members Dickson and Winchell were absent, motion carried.

Member Stoddard motioned for the members to hold an executive session to discuss certain items with the board and Counsel, seconded by First Vice Chairman Williams. All in favor, all ayes, Members Dickson and Winchell was absent, motion carried.

No action was taken.

Member Stoddard motion to end executive, seconded by Chairman Crist. All in favor, all ayes, Members Dickson and Winchell were absent, motion carried.

Member Stoddard motioned to adjourn the meeting, seconded by Second Vice Chairman Rainaldi. All in favor, all ayes, Members Dickson and Winchell were absent, motion carried.

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act") will be held by the Town of Montgomery Industrial Development Agency (the "Agency") on the 13th day of May, 2019 at 5:30 o'clock p.m., local time, at the offices of the Agency located at 110 Bracken Road in Town of Montgomery, Orange County, New York in connection with the following matters:

Rakhil Patel, an individual residing in the State of New York, having an office for the transaction of business located at 7 Rubinstein Court, New Hempstead, New York (for convenience hereinafter referred to as the "Company"), has presented an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 121,968 square foot parcel of land located at 2105 NYS Route-208 in the Town of Montgomery, Orange County, New York (tax map number 29-1-24.2) (the "Land"), together with an existing approximately 45,000 square foot upper-midscale hotel currently operated as an 81 room Holiday Inn Express hotel (the "Facility", and collectively with the Land and the existing equipment located in the Facility, the "Existing Project Facility"), and (2) the renovation of the Existing Project Facility to franchise brand requirements, including interior and exterior renovations and improvements, including the acquisition of new furniture, fixtures and equipment (collectively, the "Improvements", and collectively with the Existing Project Facility, the "Project Facility"), all of the foregoing to constitute the acquisition, renovation and updating of an existing upper-midscale hotel facility; (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.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Orange, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, renovation and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed, reconstructed and installed by the Agency and will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the "Agreement") requiring that the Company or its designee make certain payments to the Agency.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Joseph Joy, Chief Executive Officer, Town of Montgomery Industrial Development Agency, 110 Bracken Road, Montgomery, New York 12549; Telephone: 845-457-2600.

Dated: April 23, 2019.

TOWN OF MONTGOMERY INDUSTRIAL
DEVELOPMENT AGENCY

BY: /s/Joseph Joy, CEO
Joseph Joy, Chief Executive Officer

NOTICE OF PUBLIC HEARING
ON PROPOSED PROJECT
AND FINANCIAL ASSISTANCE
RELATING THERETO

Notice is hereby given that a public hearing pursuant to Section 859-a(2) of the General Municipal Law of the State of New York (the "Act") will be held by the Town of Montgomery Industrial Development Agency (the "Agency") on the 13th day of May, 2019 at 5:45 o'clock p.m., local time, at the offices of the Agency located at 110 Bracken Road in the Town of Montgomery, Orange County, New York in connection with the following matters:

The Montgomery Group, Inc., a New York business corporation (the "Company"), has presented an application (the "Application") to the Agency, a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) (1) the acquisition of an interest in an approximately 1.77 acre parcel of land located at 220 Ward Street (tax map number 203-1-12.12) and 228 Ward Street (tax map number 203-1-12.212) in the Village and Town of Montgomery, Orange County, New York (collectively the "Land"), (2) the construction on the Land of an approximately 11,000 square foot two (2) story building (the "Facility"), and (3) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other personal property (collectively, the "Equipment"), all of the foregoing to constitute a special needs pre-school (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (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.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) exemption from mortgage recording taxes with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Orange County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) exemption from sales taxes relating to the acquisition, construction, renovation and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility. If any portion of the Financial Assistance to be granted by the Agency with respect to the Project is not consistent with the Agency's uniform tax exemption policy, the Agency will follow the procedures for deviation from such policy set forth in Section 874(4) of the Act prior to granting such portion of the Financial Assistance.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed, reconstructed and installed by the Agency and will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the "Agreement") requiring that the Company or its designee make certain payments to the Agency.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Joseph Joy, Chief Executive Officer, Town of Montgomery Industrial Development Agency, 110 Bracken Road, Montgomery, New York 12549; Telephone: 845-457-2600.

Dated: April 26, 2019.

TOWN OF MONTGOMERY INDUSTRIAL
DEVELOPMENT AGENCY

BY: /s/Joseph Joy, CEO
Joseph Joy, Chief Executive Officer