

Approving The Issuance Of Certain Obligations By Ulster County Industrial Development Agency To Finance A Certain Civic Facility Project For Kingston Regional Senior Living Corp.

The Economic Development, Housing, Planning and Transit Committee (Chairman Rodriguez and Legislators Berardi, Gregorius, Loughran, Sheeley, Alfonso and Roberti) and Legislators Bartels, Liepmann, Noonan and Zimet offer the following:

WHEREAS, pursuant to Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended (the “Enabling Act”) and Chapter 787 of the Laws of 1976 of the State of New York, as amended constituting Section 923 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the “Act”), the County Legislature of Ulster County, New York (the “County Legislature”) has heretofore appointed the Chairman and members of the Ulster County Industrial Development Agency (the “Issuer”) and has duly caused to be filed in the office of the Secretary of the State of the State of New York the certificates required by Section 856 of the Act, and

WHEREAS, to accomplish its stated purposes, the Issuer is authorized and empowered under the Act to issue its revenue bonds to finance the cost of acquisition, construction and installation of one or more “projects” (as defined in the Act), to acquire, construct and install said projects or to cause said projects to be acquired, constructed and installed, and to convey said projects or to lease said projects with the obligation to purchase, and

WHEREAS, in November 2005, Kingston Regional Senior Living Corp., a New York not-for-profit corporation (the “Company”) submitted an application (the “Application”) to the Issuer, a copy of which Application is on file at the office of the Issuer, which Application, as amended to date, requested that the Issuer 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 certain real estate containing approximately 83 acres located to the west of North Putt Corners Road between Shivertown Road and Erman Lane in the Village of New Paltz, Ulster County, New York (the “Land”); (2) the construction of one approximately 354,000 square foot building and twelve separate cottages each containing approximately 3,500 square feet of space (collectively, the “Facility”); and (3) the acquisition and installation thereon and therein of certain machinery and equipment located therein and thereon (the “Equipment”) (the Land, the Facility and the Equipment hereinafter collectively referred to as the “Project Facility”), all of the foregoing to constitute a continuing care retirement community under Article 46 of the New York Public Health Law to be owned by and operated by the Company; (B) the financing of all or a portion of the costs of the foregoing by the issuance of revenue bonds of the Issuer in one or more issues or series in an aggregate principal amount sufficient to pay the cost of undertaking the Project, together with necessary incidental costs in connection

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therewith, the maximum aggregate estimated amount of which is not to exceed \$125,000,000.00 (the "Obligations"); (C) paying a portion of the costs incidental to the issuance of the Obligations, including issuance costs of the Obligations and any reserve funds as may be necessary to secure the Obligations; (D) the granting of certain other "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 estate transfer taxes and mortgage recording taxes (collectively with the Obligations, the "Financial Assistance"); and (E) 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 Issuer, and

WHEREAS, the Company has requested that interest on the Obligations be treated by the federal government as excludable from gross income for federal income tax purposes pursuant to Section 103 and Section 145(a) of the Code, and

WHEREAS, the County Legislature of Ulster County, New York (the "County Legislature") has been advised by the Issuer that the Issuer proposes to issue, subsequent to the adoption of this resolution, the Obligations from time to time in a principal amount sufficient to fund all or a portion of the cost of the Project, and

WHEREAS, interest on the Obligations will not be excludable from gross income for federal income tax purposes unless, among other things, pursuant to Section 147(f) of the Code, the issuance of the Obligations is approved by the "applicable elected representative" of Ulster County, New York after the Issuer has held a public hearing on the nature and location of the Project Facility and the issuance of the Obligations, and

WHEREAS, pursuant to the authorization contained in a resolution adopted by the members of the Issuer on November 30, 2005 (the "Public Hearing Resolution"), the Interim Chief Executive Officer of the Issuer (A) caused notice of public hearing of the Issuer (the "Public Hearing") pursuant to Section 859-a of the Act and Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), to hear all persons interested in the Project and the Financial Assistance being contemplated by the Issuer with respect to the Project, to be mailed on April 12, 2007 to the chief executive officers of the county and of each city, town, village and school district in which the Project is or is to be located, (B) caused notice of the Public Hearing to be posted on April 12, 2007 on a bulletin board located at (1) 25 Plattekill Avenue in the Village of New Paltz, Ulster County, New York and (2) the

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New Paltz Town Hall, 1 Veterans Drive in the Town of New Paltz, Ulster County, New York, (C) caused notice of the Public Hearing to be published on April 13, 2007 in the Daily Freeman, a newspaper of general circulation available to the residents of the Village of New Paltz, Ulster County, New York, (D) conducted the Public Hearing on May 14, 2007 at 6:00 o'clock p.m., local time at the New Paltz High School, 130 South Putt Corners Road in the Town of New Paltz, New York, and (E) prepared a report of the Public Hearing (the "Hearing Report") which fairly summarized the views presented at said Public Hearing and distributed same to the members of the Issuer and to the County Legislature of Ulster County, New York (the "County Legislature"), and

WHEREAS, in connection with the review of the Project by the Village of New Paltz Planning Board ("Village Planning Board"), as "lead agency" pursuant to the State Environmental Quality Review Act ("SEQRA"), as amended, and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York, being 6 NYCRR Park 617, as amended (the "Regulations"), the Village Planning Board completed the SEQRA process when it approved a findings statement on November 21, 2006, as certified by the Chair of the Village Planning Board on November 28, 2006, and

WHEREAS, pursuant to Section 147(f) of the Code, the County Legislature desires to allow the interest on the Obligations to be treated as excludable from gross income for federal income tax purposes, and

WHEREAS, Section 870 of the General Municipal Law of the State of New York specifically provides that neither the Obligations nor any other obligation of the Issuer shall be a debt of Ulster County, New York, nor shall Ulster County, New York be liable thereon, and

WHEREAS, the Economic Development, Housing, Planning and Transit Committee has met and reviewed said request with a majority of the members voting approval, and

WHEREAS, the Ways and Means Committee has met and reviewed said request with a majority of the members voting approval.

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RESOLVED, by the County Legislature of Ulster County, New York as follows:

Section 1. For the sole purpose of qualifying the interest payable on the Obligations for exclusion from gross income for federal income tax purposes pursuant to the provisions of Section 145(a) of the Code, the County Legislature, as the elected legislative body of Ulster County, New York, hereby approves the issuance by the Issuer of the Obligations, provided that the Obligations, and the premium (if any) and interest thereon, shall be special obligations of the Issuer and shall never be a debt of the State of New York, Ulster County, New York or any political subdivision thereof (other than the Issuer), and neither the State of New York, Ulster County, New York nor any political subdivision thereof (other than the Issuer) shall be liable thereon.

Section 2. This resolution shall take effect immediately,
and moves its adoption.

ADOPTED BY THE FOLLOWING VOTE:

AYES: 28 NOES: 0
(Absent: Legislators Alfonso, Bischoff, Felicello
and Roberti)
(Legislator Noonan left at 7:35 PM/returned 7:43
PM)

FINANCIAL IMPACT:
NOT TO EXCEED \$125,000,000.00 – ULSTER COUNTY INDUSTRIAL
DEVELOPMENT AGENCY OBLIGATIONS