

EXHIBIT

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Town of Orangetown
Supervisor Thom Kleiner
State of the Town Address
January 3, 2006

Tonight, I ask you to join with me, and with each member of this Town Board, on a journey to make Orangetown truly great.

Through our work together on four major issues - the Rockland Psychiatric Center redevelopment, the revival of the Pearl River Theater, the future of the Tappan Zee Bridge and the Route 303 revitalization - we can make a real difference in the quality of life for all of us:

And it matters *how* we handle these obviously important initiatives.

Because at RPC, it's not just about bringing substantial new revenue to the Town, but doing so in such a way that ensures that we will be proud of the development - the new neighborhood - that generates that revenue.

Because by supporting the revival of the Pearl River Theater, it's not just giving lip service to the revitalization of Pearl River, but creating something that will draw people to that downtown hamlet, provide an anchor for local businesses and be a source of pride for the community.

Because it's not enough to be informed about the future of the Tappan Zee Bridge and the I-287 corridor, but having real voice in the design of any new structure and each critical decision that precedes it.

And because as we continue to improve Route 303's safety and aesthetics, we must do so in a way that reflects the creativity and vision of our citizens who worked hard to create the Sustainable Development Study, something for future generations to enjoy which will make our community stronger.

The success of each of these efforts, and really everything we wish to accomplish, will be enhanced and strengthened by your commitment and participation.

Before I speak in more detail about these major initiatives, I want to touch on other issues where we have made great progress, particularly in the past year or two, and that will continue to occupy our attention in the next two years.

Financial Strength: Because of the conservative budgeting practices we implemented our financial health remains strong. We were informed last week that we won another award for Excellence in Financial Reporting, our ninth such honor. This has contributed to the strength of our bond rating so that we can act with confidence when we are required to fund capital projects for the Town.

Pension costs have stabilized – in fact we saved \$30,000 last month by paying our pension contributions to the State three months early. The greatest challenge to our long-term fiscal stability is the cost of health benefits for current employees and retirees. We have existing contractual obligations, and there is no easy solution. At a minimum, we need to create incentives for employees to shift to lower cost health care options. We must also educate employees and taxpayers about the consequences of the long term costs and work with our union leadership on solutions.

We're pleased that we have had the lowest tax increase in the county for two consecutive years. But that's not enough. We have to continue the effort to bring in clean ratables with the goal of leveling off or even reducing the residential tax rate in the next several years as the large projects come on line. We are proud of what we have set in motion in that regard.

Senior Housing: We have now granted approval to one small and two major active adult housing projects: the Pearl River Hospital site, and the Hollows and ARC on Veterans' Memorial Drive. These projects will address long-standing housing needs and bring in substantial tax revenue.

But they will do much more than that. The ARC project is particularly significant because it facilitates the development of corporate headquarters on the western part of that site, bringing with it the potential of up to 450,000 square feet of clean corporate use. Hunter Douglas has already indicated their intention to locate their North American headquarters here in a 75,000 square foot building with the intention to expand to 150,000.

Sewer infrastructure: We authorized a major overhaul of our sewer infrastructure. And because of the innovative funding mechanism we have implemented, the average cost to homeowners will be about \$13 per year, beginning in 2007. This is good for the environment and financially advantageous for our residents.

Drainage: By negotiating with Wyeth and acquiring the field on Crooked Hill Road, we have now begun construction on a drainage basin and related improvements that will solve, completely, the problems that have afflicted the Cherry Brook drainage basin in central Pearl River for years. Other areas will also be benefited by the creation of a town-wide drainage district and our partnership with the County. Just last week, Ron Delo received word that Orangetown was awarded a state grant of \$120,000 to assist in this work.

Recreation: We are proud of the work that has already been started at RPC: Fields are being built for Little League baseball, a design has been agreed to for the "triangle" which will be the home for an expanded Mighty Midget Soccer program. The leadership of these leagues have also started ambitious fundraising programs that will enable them to finance improvements such as lights and concession areas. And, if we do our job right with the RPC developers and get the substantial sums that we believe we will for the redevelopment of the site, we will engage in a dialogue with the community to determine what if any additional community and recreational amenities we should consider on that unique site.

Website: We have improved the look and the ease with which businesses and residents use our Town website. It now allows residents to access forms and get information. Businesses are now able to download building applications and use an interactive permitting program. Most recently, registration for our Parks programs became available on-line. We will continue to improve the site and make it as interactive as possible, starting with posting of positions available and legal notices.

As important as all of these things are, there are four areas where *how* we arrive at our decisions will make a qualitative difference in the development of our community.

RPC: We are now in the final stages of discussions with three qualified developers for the redevelopment of 130 of the 348 acres that we purchased from the State. Each has offered quality adult housing. Each promises to pay the Town millions of dollars for the right to develop the land. Each promises to provide housing for our volunteers. We are confident that our selection will work to benefit all our residents for years to come.

But the specifics of the agreements we reach matter and, once the selection is made, our work doesn't end. We have to work closely with the winning team every day to ensure that the final product is true to the concept plan that we approve. We have to be sure that the adjoining neighborhoods benefit from and have a connection with the new development and that the development and the open space areas on the RPC site itself are mutually supportive.

Pearl River Theater: For six years the Pearl River movie theater has remained shuttered. It has become an eyesore and an impediment to the continued revitalization of Pearl River. A zone change which has been sought for senior housing and retail use, if granted, would improve the area, provide positive and needed uses.

But we can do better; we can afford to be more optimistic about our future.

For any downtown revitalization to be truly successful, partnerships must be created between the town, the business community and our residents. The most exciting and, the most daring challenge is to do this in Pearl River by revitalizing the theater, creating a center for movies, plays and community activities.

If we're successful, it will establish a new identity for Pearl River, be a reason for new people to come there, and be a source of pride for all of us.

The future of the Tappan Zee Bridge: We all now recognize the problems with the Tappan Zee Bridge's structure, and the not too infrequent incessant delays caused either by congestion or accidents. All of these problems must be addressed. But, here, too, how we fix it will make a huge difference.

While it is also likely that improved mass transit will be a component of the final option, it must be the mass transit option that is best for the commuters and the region, not for any particular transit agency. It is our responsibility,

as elected officials, to work with the agencies responsible for making these decisions to ensure that those decisions are made in the best interests of our residents

If, as now seems likely, a replacement bridge will be constructed, the kind of structure that spans the Tappan Zee will be critically important for the region, and particularly Orangetown. We have to ensure that aesthetics play an important part in the decision making process so that a Bridge could, if we do it right, look like something like this (picture).

Rt. 303: Finally, and maybe the biggest challenge of all, is to continue to transform our most difficult transportation and land use corridor – Route 303 from Tappan to Blauvelt. We could have continued to let development proceed haphazardly without any meaningful guidance. But that approach resulted in the problems we have now and was the reason why we were able to convince statewide agencies to fund the Route 303 study to begin with.

The other option, the only option in my view, is to work with property owners and developers to realize the most exciting and innovative elements of the Route 303 Sustainable Development Study. We did that by working with the developer to create significant landscaping that softens the Lowe's store and parking lot. And we specifically insisted that landscaping be provided on the south side of the building, facing what is now a vacant field, on the assumption that the eventual developer of that land would want to face a beautifully landscaped border. Now, we are posed to adopt special permit legislation for the four corners of Exit 5 of the Palisades Interstate Parkway and Route 303 that will bring in a low traffic, high tax revenue development that will benefit the entire community.

We were proud to receive the Creativity in Planning award from the American Planning Federation for our work. Now we have to work with those same study partners, including the businesses and residents to implement it and create a corridor we can be proud of.

There are many other things - the proper treatment of the Sparkill downtown, the Tappan downtown - we just last month were informed about \$200,000 secured for us by Congressman Eliot Engel to move the wires to the backs of the buildings and further beautify that historic hamlet - traffic and speed enforcement town wide, volunteer housing at RPC and elsewhere, and town code revisions and simplification.

No one needs to remind us of the importance of these things, particularly the four I highlighted. But what's at issue as we begin 2006 is not the need to work on these issues – that's a given - but how creative and committed we can be in the process of making the decisions that will determine our future. The quality of those decisions matter: To turn good projects into great ones, to not only make a difference in the quality of our own lives, but to do so in a way that will dramatically improve the quality of the lives of our children and all those who follow us as well. Please join us as we face these challenges together and continue to build great communities in a Town in which we are all fortunate to be a part.