



VIA FEDERAL EXPRESS & E-MAIL (JGALVIN@CHPARTNERSHIP.COM)
Priority Overnight

April 7, 2008

Mr. James Galvin
Columbia Hudson Partnership
610 State Street
Hudson, NY 12534



RE: GREENPORT COMMONS

Dear Jim:

On behalf of our firm, I wish to express my appreciation to you and members of the Columbia County IDA for your time at last week's meeting. As we discussed, the incentives offered by the IDA are critical to the success of Greenport Commons. We project that investment at this site will exceed \$70 million, with the Wal-Mart SuperCenter as an anchor tenant.

In addition, the incentives offered by the IDA will be critical to our success in attracting two (2) additional major retailers to this 127 acre parcel.

Since we received initial approvals from the Town of Greenport over one year ago, the state and national economic situation has rapidly deteriorated. The economic uncertainty has caused a number of national retailers to revise their present and future plans for expansion. In response to this situation, we are seeking to lower costs wherever possible and assistance from the IDA is critical to this effort.

As we discussed at our meeting, the prior restrictions on IDA support for retail projects have expired as of February 1, 2008. However, we believe that even if these provisions were retroactively reenacted the Greenport project would still qualify for IDA incentives. The expired law restricted IDA assistance to retail projects where there was a showing that retail options planned under the project were not currently available in the host community. See, GML Sec. 862 - 2(b) expired. We believe, as do others, that retail shopping opportunities are seriously lacking in Columbia County. We are aware that many residents do all or most of their retail shopping in Albany, Kingston or at establishments in Massachusetts such as the Lee Outlet Mall.

As part of our efforts to fully develop this 127 acre site, we have had or plan on having discussions with retail firms which do not now do business in the Town of Greenport or the County of Columbia. These include the following firms:

1. Lowe's
2. Kohl's Corporation



3. TJX Companies Inc.-Marshall's
4. Burlington Coat Factory Warehouse Corp.
5. JC Penny Company, Inc.
6. Office Max
7. Claire's Stores
8. The Men's Wearhouse
9. Dots, Inc.
10. Maurices, Inc.
11. A.C. Moore Arts & Crafts, Inc.
12. Jo-Ann Stores, Inc.
13. Michael Stores, Inc.
14. Panera Bread Company
15. Tim Horton's Inc.
16. Regis Corporation
17. Salon Development Corp.
18. Bed, Bath & Beyond, Inc.
19. Linens N' Things
20. Ross Stores, Inc.
21. Barnes & Noble, Inc.
22. Borders Group, Inc.
23. Best Buy Co., Inc.
24. Circuit City Stores, Inc.
25. Brueggers Enterprises Inc.
26. Fazoli's Restaurants
27. Salsarita's Inc.
28. Quiznos
29. Pier 1 Imports Inc.
30. Value City Furniture
31. 24 Hour Fitness
32. Rex Stores Corp.
33. GNC Corp.
34. Office Depot
35. Empire Vision Centers
36. Petsmart, Inc.
37. FedEx Kinko's Office and Printing Supplies
38. Mailboxes, Etc. USA Inc.
39. 99 Restaurant & Pub
40. Famous Footwear
41. Olympia Sports Inc.
42. Shoe Carnival, Inc.
43. Chili's
44. Red Lobster
45. Friendly's



We believe that IDA assistance will be critical to our success in bringing some of these above national retail chains to Columbia County.

Moreover, in seeking to develop this parcel in Greenport, we are making substantial economic commitment to the area. We are currently engaged in site work to make the parcel ready for the Fall, 2008 construction of the Wal-Mart SuperCenter. In addition, we have removed the old farm silo which was both unsightly and dangerous, given the proximity of the structure to Route 9 and will soon remove the steel frame structure which has stood neglected for at least a decade as well as the abandoned movie theatre.

The present site generates little in land taxes and nothing in sales and mortgage recording taxes. Our project will yield significant increases in real estate taxes, mortgage taxes and above all, sales taxes. We estimate that this project, upon being fully built out will generate approximately \$10.8 million in new sales tax revenue and create a significant number of new jobs. With regard to the estimated increase in sales taxes and jobs, I am attaching a letter from Frank Sciremammano Jr., PhD, PE of F.E.S. Associates setting forth the calculations for both the estimated sales tax and job increases.

In addition, the proposed PILOT will also generate substantially more revenue for the school district than it now receives on the vacant parcel. Indeed, the PILOT proposal will not result in lower taxes than those which would otherwise be available to the taxpayer as of right pursuant to Sec. 458-b of the Real Property Tax Law.

In sum, Greenport Commons will be a substantial public benefit to taxpayers and will afford Columbia County residents retail shopping opportunities which do not now exist in the Town of Greenport or Columbia County.

We look forward to meeting again on April 11th to again discuss this project and hopefully receive IDA approval for this proposal. In the meantime, if I can respond to any questions which you or the Board may have, please do not hesitate to contact me or our counsel, John Faso.

Very truly yours,
THE WIDEWATERS GROUP, INC.

Managing Agent

Marco J. Marzocchi

General Counsel

Real Estate Development

Enclosure

cc: John Faso, Esq. w/enclosure (via e-mail: JFaso@manatt.com)