



Empowering Businesses. Inspiring Growth.

Mike Torelli, Chairman • **John Douthit**, Vice Chairman •
Vincent Odock, Assistant Secretary • **Paul Ruszkiewicz**, Board Member • **Dean Tamburri**, Board Member
Bill Fioravanti, Chief Executive Officer • **Russell E. Gaenzle**, Harris Beach

Agenda

PLEASE TAKE NOTICE, The Orange County Industrial Development Agency will hold a regularly scheduled meeting on December 15, 2021, at 5:30 p.m. at the Orange County Government Center, 255 Main St., Goshen NY in the First Floor Community Room to consider and/or act upon the following:

Order of Business

- **Pledge of Allegiance**
- **Roll Call**
- **Approval of Minutes for November 17, 2021 Board meeting**
- **Approval of Minutes for December 1, 2021 Committee meeting**
- **Finance**
 - November 2021 Financial Reports
 - Approved Signatories
 - November/December payables
 - CFO Discussion
- **Chairman's Report**
- **Management Report**
- **New Business**
 - Board Officers & Committees
- **Unfinished Business**
 - Leentjes Amusements - The Castle
 - South Gate Flats Hotel
- **Resolutions**
- **Adjournment**

To watch the livestream, please visit our website: www.ocnyida.com

Dated: December 9, 2021

By: Bill Fioravanti – Chief Executive Officer

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MINUTES: NOVEMBER 17, 2021, BOARD OF DIRECTORS
MEETING

A meeting of the Orange County Industrial Development Agency was convened Wednesday, November 17, 2021, at 5:11 p.m.

The meeting was called to order by Chairman Torelli, immediately followed by the Pledge of Allegiance.

A roll call of the Board members showed four present. There is a quorum. The following are all who were in attendance:

PRESENT: Mike Torelli, John Douthit, Paul Ruskiewicz, Dean Tamburri

ABSENT: Lesley Pierri, Vincent Odock

ALSO PRESENT: Bill Fioravanti – Chief Executive Officer
Langdon Chapman – County Attorney
Russell Gaenzle – Harris Beach (via Zoom)
Kelly Reilly – Project Manager
Dean Brady – Technical Support (via Zoom)

A motion by Chairman Torelli to accept the minutes of the October 20, 2021 meeting was accepted and opened for questions or comments.

Hearing no objections to the minutes, the motion was made by Mr. Tamburri, seconded by Mr. Ruskiewicz, and passed by a unanimous roll call.

Finance Report

The Board reviewed the October financial report and the \$1MM investment options previously voted upon. With some of the rates having changed, the Board will have to vote again. The Board approved the investment of two CD's at Orange Bank & Trust for \$250,000 for a 6-month term at .20% and a nine-month term at .25%. The checks have been prepared and are awaiting an additional signature. The rates that staff received from Greater Hudson Bank and Empire State Bank have been verified and are currently the

highest. Mr. Fioravanti advised the Board that Greater Hudson Bank has been acquired by Connect One with limited locations, one being in Middletown, which offers drive-up service. He added that the Board can consider two more options if necessary. Chairman Torelli suggested a further discussion during the Open Business portion of the meeting.

Chairman Torelli advised that the procurement of a CFO for Hire is ongoing and added that the candidate will be able to do a more in-depth analysis and be able to make investment recommendations to the Board to be voted upon. The Chairman noted that without a CFO, it is up to the Board to decide which institutions to consider and reminded the Board that the maximum amount for any one investment would be \$250,000. The Chairman further stated that of the \$1MM set aside for investments, \$500,000 would be processed at this meeting with the remaining \$500,000 to be invested as the Board sees fit. Two of the options are a six-month and a nine-month CD which are "short-term" investments with longer term investments being something the Board should consider. Mr. Douthit approved of the staggered approach in which investments mature at different times and points and suggested going into a 12-month and an 18-month term with the options being revisited every six months. Two to consider are Greater Hudson/Connect One Bank for 12-months at .25% and Empire State Bank for 18-months at .4%. Chairman Torelli stated he would like to move forward with CD's with Greater Hudson/Connect One and Empire State Bank for \$250,000 each.

With no further questions or discussion, Chairman Torelli made a motion to approve the investment options, seconded by Mr. Douthit and passed by a unanimous roll call.

Mr. Fioravanti continued with a review of the OCIDA Income Statement and noted that little has changed since October except for a bill from Loewke Brill for \$3,920 for local labor auditing which was approved at the October Board meeting. YTD date total is \$1.2 Million, income over expenses which suggests that we are headed in the right direction. The Accelerator's YTD total is \$1.64 Million with nothing unusual since October. Total cash balance for the OCIDA which includes investments, cash and checking accounts is just over \$8 Million.

Mr. Fioravanti advised the Board that the Warwick LDC reimbursement has not been received because the attorney is awaiting additional documents from the Warwick LDC

attorney, Mr. Fioravanti has asked that they have this resolved in the next couple of weeks.

With no objections, questions or concerns, a motion was made by Mr. Tamburri, seconded by Mr. Ruszkiewicz, and passed by a unanimous roll call.

Payables

Mr. Fioravanti discussed the recurring bills and the contract for Fiber Optic service from Frontier for the Middletown location, which has been costly but is expiring in December 2021. We should begin to see a reduction in expenses. One of our marketing contracts is being reworked and Mr. Fioravanti will have an update by the next Board meeting. A meeting to address reducing the cost for marketing and web-related services is forthcoming.

Chairman Torelli addressed the \$742 Water and Sewer bill for the Warwick Accelerator. Mr. Fioravanti noted that the OCIDA is responsible for supporting the Warwick Accelerator clients including paying for their utilities, confirmed that the OCIDA receives these bills quarterly and that these amounts are not recovered from the client. He also noted that we have another bill from the Warwick Accelerator for \$694.60 with a check for that amount awaiting signature but that we would hold onto it until we receive the \$2 Million reimbursement.

Chairman Torelli stated that he will not vote against paying the bill because of the contractual obligation but did encourage another review of the contract. Mr. Ruszkiewicz asked if the town of Warwick would consider bearing the cost and Mr. Fioravanti advised that he has a meeting scheduled with the town Supervisor the week after Thanksgiving and will discuss further. Mr. Chapman stated that it can be argued in court because the lease is void. Mr. Fioravanti concurred and indicated that page 28 of the Comptroller's report states that all contracts are void after the 15th when one of the Board members became an employee of the consulting firm. Chairman Torelli asked that the payment for the Warwick Water/Sewer bill be held as "pending" until Mr. Fioravanti's meeting in the coming weeks. Mr. Fioravanti will confirm with the town whether non-payment would result in an interruption of service.

Chairman Torelli entertained a motion to approve the total bill payments of \$29,773.30 (not including the Warwick Accelerator's water/sewer bill of \$742.96).

With no objections, questions or concerns, a motion was made by Mr. Tamburri, seconded by Mr. Douthit, and passed by a unanimous roll call.

Mr. Fioravanti advised that Loewke Brill closed out the Merlin/Legoland project and stated that all other bills are typical inspection rates that Loewke Brill levies and the OCIDA passes onto the applicant. This month's Loewke Brill bill was for \$4,495.

With no objections, questions or concerns, a motion was made by Mr. Ruszkiewicz, seconded by Mr. Tamburri and passed by a unanimous roll call.

Mr. Fioravanti addressed the bill for \$2,250 for B4 Holdings in Newburgh and stated that the OCIDA has not paid the rent in a couple of months but agreed to pass on any rent that is collected from our 603 Broadway sub-tenants. The 605 Broadway tenants are behind in rent again after having paid for some months.

Since downsizing, the 4 Crotty Lane location continues to face challenges regarding the voice and data network and is currently unable to access the network to set up the new desk telephones. Previous management terminated the IT company's contract, and the company is said to have deleted all of our access information and network credentials. Mr. Fioravanti stated that he's procured several quotes and we should expect to pay just under \$2,400 to take down and rebuild the whole network, remove and re-sell some of the excess network and computer equipment and recoup some of the funds. Mr. Fioravanti stated that would like to terminate the current telephone contract for non-performance. Chairman Torelli suggested a further discussion to be accompanied by a more detailed comparison to move forward with a decision.

Payment to WEDC, an "Agent of the IDA" has not been approved pending further discussion in a work session. Chairman Torelli suggested an Agent of the IDA worksheet with a detailed list of what the IDA is looking for in an "agent" and fulfillment of that list by the agent before getting reimbursed.

Chairman Torelli stated that he would like to add the \$500,000 to this month so that the current rates can be applied as they tend to change with the market. He asked for a deduction of \$30,000 and an increase of \$500,000 bringing the total to \$1,002,700. The Chairman entertains a motion to approve.

With no objections, questions or concerns, a motion was made by Mr. Tamburri, seconded by Mr. Douthit, and passed by a unanimous roll call.

Chairman's Report

Chairman Torelli stated that with Mr. Fioravanti onboarding officially on November 22, 2021, Mr. Fioravanti will be the one presenting before the E & E Committee and attending their upcoming meeting to see what they resolve. The Chairman added that he would like to be able to review their report and provide any information they need from the OCIDA for the purposes of transparency. Chairman Torelli requested that staff draft a memo to Ethan Allen Workforce Solutions from the Board with the Chairman's signature identifying Mr. Bill Fioravanti as an employee of the OCIDA as of Monday, November 22, 2021 to include salary and benefits information and get it on the record with a Resolution.

Management Report

Mr. Fioravanti asked Chairman Torelli whether he should be added as a signatory along with the Chairman and Ms. Pierri at this time. The Chairman stated that it should be kept as is and get the opinion of Counsel to add Mr. Fioravanti as a signatory moving forward and what the best practices are.

OCIDA's bookkeeping has been managed by UHY with some additional duties they have carried out including management of the OCFC Loan Fund. Mr. Fioravanti recommended that the IDA continue working with UHY since they are already working with us. Mr. Fioravanti stated that he has collected quotes from other organizations and that UHY has submitted a revised engagement letter. Other proposals include a prominent local CPA firm that has worked with other IDA's and a CFO for hire who's worked specifically with IDA's. He advised that another option would be the Finance

Commissioner, Karin Hablow, who he stated is a very competent candidate. Ms. Hablow would do everything UHY is currently doing except the bookkeeping at a rate of \$650 per hour. Ms. Hablow would also handle budgeting, investments, and PARIS reporting to be presented to the Board monthly. Mr. Fioravanti notes that Ms. Hablow would work for the OCIDA as a contractor not a full-time employee. Chairman Torelli stated that this will be reviewed further with General Counsel to ensure we are moving forward appropriately.

Mr. Fioravanti stated that he has reached out to other CPA firms but due to the timing of this upcoming audit, some firms are apprehensive because of their limited capability and/or manpower. Mr. Douthit agreed that our current firm, JGS, is a reputable group and understands the apprehension of the other firms beginning an audit so close to the end of the year. Mr. Douthit stated that he is comfortable allowing JGS to complete the 2021 audit and revisiting the topic again in the future. Mr. Fioravanti will get an updated quote from JGS for the 2021 audit.

Mr. Fioravanti re-addressed the phone system and lack of access and Chairman Torelli stated that he did not want to lock into another long-term contract at this time because the 4 Crotty Lane lease ends in 2023 and occupancy in that building is uncertain at this time.

A motion to approve \$5,000 to get the network running is made by Mr. Douthit, seconded by Mr. Tamburri and passed by a unanimous roll call.

Mr. Fioravanti advised that the PARIS report has been submitted and outstanding questions have been answered with the patient and generous assistance of Julie Marshall at Harris Beach and Paul Wiley, Assistant Director at Real Property.

The hiring of an Administrative Assistant is tabled for the time being pending further discussion at a Personnel Committee Meeting.

Mr. Fioravanti will continue to make appearances and radio interviews but the attendance of Board members to annual events will be discussed further.

There are two other leases to be signed and a letter/proposition from the Newburgh landlord is forthcoming. The Newburgh landlord has asked if the IDA could cover other charges. Chairman Torelli suggested tabling this item pending further discussion.

New Business

Chairman Torelli addressed the procurement for General Counsel and the four groups that were interviewed. Sue Katzoff has interviewed with Counsel and comes very highly recommended.

With no objections, questions or concerns, a motion was made by Mr. Douthit, seconded by Mr. Tamburri, and passed by a unanimous roll call. Mr. Fioravanti will schedule a follow up call with Sue.

Chairman Torelli asked the Board for a consent vote for a one-year extension on projects that were previously approved: Leentjes, Southgate Flats and GAM, to be reviewed further, and approved by Mr. Gaenzle and Mr. Chapman.

With no objections, questions or concerns, a motion was made to approve the extensions by Mr. Tamburri, seconded by Mr. Ruskiewicz, and passed by a unanimous roll call.

A motion to adjourn was made, seconded, and unanimously accepted.

The meeting closed at 6:20 pm.

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
COMMITTEE MEETING

MINUTES: December 1, 2021

A meeting of the Orange County Industrial Development Agency was convened Wednesday, December 1, 2021, at 5:42 p.m.

The meeting was called to order by Chairman Torelli, immediately followed by the Pledge of Allegiance.

A roll call of the Board members showed five present. There is a quorum. The following are all who were in attendance:

PRESENT: Mike Torelli, John Douthit, Dean Tamburri, Vincent Odock, Paul Ruskiewicz (via Zoom)

ABSENT: Lesley Pierri

ALSO PRESENT: Bill Fioravanti – Chief Executive Officer
Langdon Chapman – County Attorney
Sue Katzoff – General Counsel (via Zoom)
Kelly Reilly – Project Manager
Dean Brady – Technical Support (via Zoom)

Chairman Torelli opened the meeting by addressing Board member, Leslie Pierri's letter of resignation effective today, December 1, and thanked her for all her work.

Mr. Fioravanti addressed the recent Orange County Legislature's investigative report on the misdeeds of the prior administration and left it open for discussion. The Chairman suggested that Board and staff read it as the report contains some things that need to be considered and schedule a future discussion to decide upon some of the items in the report. The Chairman addressed some of the recommendations in the report that referenced pursuing further legal action. He asked for Counsel to discuss this item with Mr. Fioravanti, provide a briefing for the Board to review and vote upon whether further legal action should be pursued to seek restitution of damages and to better understand the cost of doing so. Chairman Torelli asked the Board to read the report and start to gather more information for future discussion at the Board level with a potential vote.

Other Items Discussed

Proposal for CFO duties: Mr. Fioravanti presented a comparison report and noted that the OCIDA is currently outsourcing CFO duties and has four proposals to consider which include: BST (commonly CFO for Hire for IDA's), OC Finance Commissioner, Karen Hablow, RBT (a local CPA), and a new proposed engagement letter from UHY with updated pricing. Chairman Torelli noted our lack of a full-time CFO is the reason for the procurement. Mr. Fioravanti confirmed that GJS will continue to be our auditors for 2022. Ms. Katzoff agreed that our auditor should be different from the person or firm that will be handling the CFO duties to keep the two independent. She will review the comparison chart and provide feedback at the next OCIDA Board meeting. The Chairman asked the Board to review the recent procurements and come up with a list of questions to be discussed as an agenda item under New Business.

603 and 605 Broadway: As a result of the State Comptroller's report, it was determined that any contract entered into *after* the date that one of the former Board members became an employee of GTG, is null and void. B4 Holdings was notified that the OCIDA would no longer be paying rent and upon receiving their tax bill, B4 Holdings submitted a letter requesting an arrangement that any sublease rent the IDA received be submitted to B4 Holdings for the remainder of the original lease to pay the CAM (common area maintenance) charges. Mr. Fioravanti presented summaries for both Broadway locations reflecting what the OCIDA has paid in CAM charges between August 2020 – August 2021 and confirmed that the lease for 603 Broadway runs through October 1, 2023, 605 Broadway through July 15, 2023 and that some of the subleases have already expired. Mr. Chapman reminded the Board that all the leases are technically void. The Chairman expressed his concern with the excessive amount in CAM charges for some of the subtenants and the fact that those funds will not be recovered. Mr. Fioravanti confirmed the lease start dates for the subtenants and the Chairman addressed the issue of arrears of one of the tenants. Mr. Fioravanti explained that an agreement was made with the tenant in which the tenant would begin to pay rent but after one payment the tenant fell behind again. Mr. Odock asked about a system that would require the subtenants to pay some rent and Mr. Fioravanti confirmed that the language in the original leases does not reference any obligations on the part of the subtenant to pay rent. Chairman Torelli

suggested that the subtenants be given the option to pay the rent, go on a payment plan, or receive a notice to vacate the premises. Mr. Fioravanti stated that discussions are ongoing with the subtenants and the consensus is that they are indeed struggling. The Chairman suggested that the Newburgh tenants be given the same option as the New Windsor to discuss renting directly from the landlord/owner.

Mr. Fioravanti stated that the OCIDA has encouraged that option and that he has had several conversations with B4 Holdings about it. Being fully aware of what the subtenants pay in rent and what they IDA pays in CAM charges, B4 Holdings has requested that the IDA continue to assist in paying the CAM charges so that the landlord can try to keep the tenants' rent close to what they are currently. Mr. Tamburri asked if the landlords made any renovations to make the buildings "Accelerator-specific" and Mr. Fioravanti confirmed that the agreement was that the OCIDA would invest \$300,000 over a couple of phases to make improvements in the building and B4 Holdings would invest at least \$100,000, mostly "in-kind". To date, the OCIDA has put up around \$200,000 in repairs and improvement. Counsel suggested that Ms. Katzoff discuss this further in an attorney/client session.

Chairman Torelli requested a report listing the subtenants, their lease statuses, lease dates, and rent amounts. The report should also include exactly how much funds the previous Board has invested in the buildings, what the OCIDA is obtaining in rent payments, and how this has benefited the tenants. This item to be discussed further with Counsel.

Agents of the IDA: Mr. Fioravanti addressed the approval letter from the OCIDA to WEDC for \$30,000 for 2021 for the services indicated on their application. He reviewed WEDC's "Agents of the IDA" check list, their responses, their mission and will provide more background on the total past payments from the OCIDA. He will also research whether this type of expense is approved by the OSC, and whether the OCIDA can continue to pay for this service. More details will be provided prior to next meeting for discussion and vote.

Additional Signatory: Ms. Katzoff will meet with Mr. Fioravanti to learn what the internal structure is and suggested that because the expenditures are reviewed and approved in

a public setting, any expenses under a certain amount can be signed by Mr. Fioravanti and the OCIDA can put safeguards in place for expenses that exceed a certain amount to require two signatures.

Personnel: Mr. Fioravanti addressed the immediate need for assistance with the project manager being away. Chairman Torelli agreed to allow the current contract person to assist with more duties, but asked Mr. Fioravanti to provide a write-up to include hours (full or part time), list of duties, maximum amount of benefits, if applicable, to be voted upon by the Board at the upcoming meeting. Once approved by the Board, staff can begin the procurement process, post the position, interview, make an offer and secure a start date.

Chairman Torelli also requested an offline discussion on current staff evaluations and suggested that the Board participate in the evaluations.

Updates for the coming OCIDA meeting: Mr. Fioravanti has an upcoming meeting with the Warwick Town Supervisor and should have an update on the \$2 million reimbursement from Warwick LDC by December 15, 2021. Chairman Torelli stated that if the reimbursement is not on-hand before the next meeting, he wants to add it as an agenda item to discuss and vote upon possible legal recourse.

New Windsor and Middletown Accelerator Tenants: Leases are coming due and Mr. Fioravanti is discussing with New Windsor Town Supervisor as well as the tenants and will have an update by the next meeting.

Bond Counsel and Local Labor Auditing: Chairman Torelli requested that staff narrow down the current list of applicants and draft a comparison sheet like the CFO for Hire to discuss with Counsel, decide on parameters to identify duties, review and vote upon.

Local Labor Auditing: Chairman Torelli suggested a comparison chart to be voted upon so that staff may begin the procurement process.

Next Committee Meeting date: Chairman Torelli asked that the Board come up with a date for the next Committee meeting and suggested that a comparison of IDA fees be an agenda item. This would allow the IDA to compare fees with other IDA's to determine if the current fee structure requires changes.

Mr. Fioravanti discussed the current application process and Ms. Katzoff addressed a new Bill, not yet signed, that references admin fees. She discussed PARIS reporting, Prevailing Wage, and the SEQR process.

A motion to adjourn was made and unanimously accepted.

The meeting closed at 7:30 pm.

DRAFT

**Orange County IDA
Income and Expense Summary
November 2021**

	Nov	YTD	Budget	Over/(Under)
Income				
Closing Fees	\$ -	\$ 1,666,728	\$ 777,100	\$ 889,628
Fees	\$ -	\$ 253,865	\$ 263,300	\$ (9,435)
IDA Administrative Fees	\$ -	\$ 256,365	\$ 10,000	\$ 246,365
Interest Earnings	\$ 208	\$ 5,325	\$ 41,000	\$ (35,675)
Other Income	\$ -	\$ 1,265,698	\$ 41,000	\$ 1,224,698
Pass Thru Legal Fees	\$ -	\$ 2,500	\$ 10,000	\$ (7,500)
Recovered	\$ -	\$ -	\$ 2,000,000	\$ (2,000,000)
Total Income	\$ 208	\$ 3,450,482	\$ 3,142,400	\$ 308,082
Expenses				
Administrative Costs				
Auditors	\$ 4,495	\$ 97,832	\$ 62,900	\$ 34,932
Insurance	\$ -	\$ 12,784	\$ 13,000	\$ (216)
Professional Fees	\$ -	\$ 47,791	\$ 73,200	\$ (25,409)
Total Administrative Costs	\$ 4,495	\$ 158,407	\$ 149,100	\$ 9,307
Agency Contribution Costs				
Friends of Orange County Youth Bureau Fund	\$ -	\$ 978	\$ 23,000	\$ (22,022)
Hudson Valley Agribusiness Dvl.	\$ -	\$ -	\$ 25,000	\$ (25,000)
O.C. Foreign Trade Zone	\$ -	\$ -	\$ 25,000	\$ (25,000)
T-SEC	\$ -	\$ -	\$ 35,000	\$ (35,000)
Women's Enterprise Dev Center	\$ 30,000	\$ 30,000	\$ 30,000	\$ -
Total Agency Contribution Costs	\$ 30,000	\$ 30,978	\$ 138,000	\$ (107,022)
Legal	\$ -	\$ 50,394	\$ 120,000	\$ (69,606)
Legal, Pass Thru	\$ -	\$ 5,000	\$ 10,000	\$ (5,000)
Total Legal	\$ -	\$ 55,394	\$ 130,000	\$ (74,606)
Projects				
Project Expenditures	\$ -	\$ -	\$ 500,000	\$ (500,000)
Research and Support	\$ -	\$ -	\$ 100,000	\$ (100,000)
Shovel Ready Program	\$ -	\$ -	\$ 100,000	\$ (100,000)
Total Projects	\$ -	\$ -	\$ 700,000	\$ (700,000)
Total Expenses	\$ 34,495	\$ 244,778	\$ 1,117,100	\$ (872,322)
Income Over/(Under) Expenses	\$ (34,287)	\$ 3,205,703	\$ 2,025,300	\$ 1,180,403

**OCIDA (Accelerator)
Income and Expense Summary
November 2021**

	Nov	Y-T-D	Budget	Over/(Under)
Income				
Client Rent	\$ 8,951	\$ 88,980	\$ 105,000	\$ (16,020)
Interest Income	\$ 4	\$ 59	\$ 100	\$ (41)
Total Income	\$ 8,955	\$ 89,039	\$ 105,100	\$ (16,061)
Expenses				
Salaries & Benefits	\$ 10,122	\$ 198,219	\$ 444,900	\$ (246,681)
Payroll taxes and fees	\$ 2,523	\$ 24,383	\$ 38,800	\$ (14,417)
Management Expense	\$ -	\$ 72,999	\$ 460,000	\$ (387,001)
Accelerator Without Walls	\$ -	\$ 17,563	\$ 400,000	\$ (382,438)
Special Initiatives	\$ 3,750	\$ 2,350	\$ 113,700	\$ (111,350)
Building Expenses:				
Insurance	\$ -	\$ 46,520	\$ 24,200	\$ 22,320
Rent	\$ 98,357	\$ 476,368	\$ 667,200	\$ (190,832)
Utilities	\$ 2,398	\$ 70,676	\$ 66,300	\$ 4,376
Repairs & Maintenance	\$ -	\$ 4,185	\$ 3,000	\$ 1,185
Operations	\$ 418	\$ 11,207	\$ 8,400	\$ 2,807
Renovations	\$ -	\$ -	\$ 100,000	\$ (100,000)
	\$ 101,172	\$ 608,956	\$ 869,100	\$ (260,144)
Equipment Maintenance - Other	\$ -	\$ -	\$ 1,000	\$ (1,000)
Information Technology	\$ 3,497	\$ 34,040	\$ 62,700	\$ (28,660)
Marketing, PR, Website & Membership	\$ 6,438	\$ 96,356	\$ 59,800	\$ 36,556
Office Cleaning	\$ 2,096	\$ 32,854	\$ 77,500	\$ (44,646)
Office Supplies and Postage	\$ 1,551	\$ 12,053	\$ 21,400	\$ (9,347)
Travel, Lodging & Meals	\$ -	\$ -	\$ 8,000	\$ (8,000)
Training & Education	\$ -	\$ -	\$ 5,400	\$ (5,400)
Professional Fees	\$ -	\$ 7,494	\$ 35,000	\$ (27,506)
Conference Expense (BA Sponsored)	\$ -	\$ -	\$ 50,000	\$ (50,000)
Total Expenses	\$ 131,150	\$ 1,107,266	\$ 2,647,300	\$ (1,540,034)
Income Over/(Under) Expenses	\$ (122,195)	\$ (1,018,228)	\$ (2,542,200)	\$ 1,523,972

Orange County Industrial Development Agency
 Banks Accounts/Certificates of Deposit/Money Markets Accounts
 As of November 30, 2021

Listed in order of maturity date.

Purchase Date	Maturity Date	# of Days	Bank	Principal	Interest Rate
--	--	--	--	\$ 1,000,000	--
11/18/21	5/18/22		Orange Bank & Trust	\$ 250,000	0.20%
11/18/21	8/18/22		Orange Bank & Trust	\$ 250,000	0.25%

Bank	Account Type	Amount	% of total
Chase Bank	Checking Account - IDA Ops	\$ 3,182,661	29%
Orange Bank & Trust	Checking Account - Accelerator Ops	\$ 312,021	12%
M&T	Bank Account	\$ 1,611,540	28%
Orange Bank & Trust	Checking Account - Trust Escrow	\$ 77,814	1%
Total CDs & Treasuries	Certificates of Deposit & Treasuries	\$ 1,000,000	0%
Sterling National	Money Market	\$ 1,720,988	30%
		<u>\$ 7,905,024</u>	<u>100%</u>

OCIDA Vendor Payment Approval
Recurring Bldg Services
December 15, 2021

Approv ID	(Multiple Items)
Category	Recurring Bldg Services
Amt	Y

Vendor	Invoice	Purpose/Description	Location	Service Date(s)	Sum of Amount
Orange & Rockland	26670-19018	Electricity	Warwick	11/1/21-11/30/21	551.40
Orange & Rockland Total					551.40
Central Hudson Gas & Electric	86700025041	Gas & Electric	334 Ave of Americas	10/20/21-11/17/21	2,433.27
	86701456005	Gas & Electric	Newburgh - 605	10/9/21-11/10/21	287.41
			Newburgh - 603	10/2/21-11/1/21	204.05
				10/9/21-11/10/21	154.30
Central Hudson Gas & Electric Corp. Total					3,079.03
Xerox Financial Service	2734695	Copier Lease payment	4 Crotty Ln	10/15/21-11/14/21	301.95
Xerox Financial Service Total					301.95
LaMela Sanitation	1BX02698	Trash & Recycle	334 Ave of Americas	11/22/21-11/30/21	225.00
LaMela Sanitation Total					225.00
Verizon	455798986000106	Fios	Newburgh - 605	11/9/2021-12/9/21	139.85
Verizon Total					139.85
Town of New Windsor	--	Building 2416 Rent	334 Ave of Americas	January 2022	6,198.92
Town of New Windsor Total					6,198.92
First Columbia 4-LA, LLC	607010020210701	Building Rent & CAM	4 Crotty Ln	January 2022	10,509.89
	6.0701E+14	Gas & Electric	4 Crotty Ln	9/18/21-10/20/21	344.27
First Columbia 4-LA, LLC Total					10,854.16
88 Studio, LLC	--	Brand Management	4 Crotty Ln	November 2021	2,500.00
88 Studio, LLC Total					2,500.00
KR Cleaning	--	Office Cleaning	334 Ave of Americas	December 2021	350.00
		Office Cleaning	4 Crotty Ln	December 2021	650.00
KR Cleaning Total					1,000.00
Focus Media	13089	Monthly Retainer/Web Service	4 Crotty Ln	December 2021	2,500.00
Focus Media Total					2,500.00
Frontier	=84534324090202184	Fiber	Middletown	11/15/21-12/14/21	599.00
Frontier Total					599.00
Facilities Maintenance Corp.	77074	Cleaning	Middletown	November 2021	1,096.00
Facilities Maintenance Corp. Total					1,096.00
MidHudsonNews.com	6920	Banner Advertising	4 Crotty Ln	November 2021	1,250.00
MidHudsonNews.com Total					1,250.00
Town of New Windsor Receiver of Taxes	0900242020001	Water/Sewer	334 Ave of Americas	8/27/21-11/22/21	265.40
Town of New Windsor Receiver of Taxes Total					265.40
Crystal Rock	21066678 111221	H2O & Cooler	4 Crotty Ln	November 2021	27.38
Crystal Rock Total					27.38
Cardmember Service	4798510053527390	Late Fee and Interest	4 Crotty Ln	November 2021	37.00
Cardmember Service Total					37.00
Marangi Disposal	19102924	Trash & Recycle	Middletown	November 2021	97.88
Marangi Disposal Total					97.88
Credit Card Payment Process	3074	Go Daddy, Google G Suite, Zoom, Stamps, T-Paper, P-Towels, Coffee, H2O	4 Crotty Ln	November 2021	885.87
			4 Crotty Ln	November 2021	182.13
Credit Card Payment Processing Total					1,068.00
National Business Leasing	73554127	Copier	Middletown	11/15/21-12/14/21	360.36
National Business Leasing Total					360.36
Danza Leser Groiup LLC	3963,4012.4059,4093,4:	Jan - Dec Rent Middletown	Middletown	1/1/21 - 12/31/21	81,648.00

Danza Leser Groiup LLC Total	81,648.00
Grand Total	113,799.33

**OCIDA Vendor Payment Approval
Monthly Contracts
December 15, 2021**

Approv ID	(Multiple Items)
Category	Monthly Contracts
Amt	Y

Vendor	Invoice	Purpose/Description	Location	Service Date(s)	Sum of Amount
Loewke Brill Consulting	16-011-OCIDA	Site Visits & Reporting	4 Crotty Ln	November 2021	3,920.00
Loewke Brill Consulting Total					3,920.00
Grand Total					3,920.00

OCIDA Vendor Payment Approval
All Other
December 15, 2021

Approv ID	(Multiple Items)
Category	All Other
Amt	Y

Vendor	Invoice	Purpose/Description	Location	Service Date(s)	Sum of Amount
Orange County IDA	(blank)	To deposit into a CD	4 Crotty Ln	(blank)	500,000.00
Orange County IDA Total					500,000.00
Roe's Home Improvement	(blank)	Build Wall & Move	334 Ave of Americas	11/23/21	1,050.00
Roe's Home Improvement Total					1,050.00
Safeguard Business Systems	R08MS3	Checks	4 Crotty Ln	(blank)	238.64
Safeguard Business Systems Total					238.64
Bill Fioravanti	(blank)		4 Crotty Ln	9/28/21-9/30/21	895.49
Bill Fioravanti Total					895.49
Grand Total					502,184.13



Dec. 4. 2021

Dear, IDA board and council,

I thank you for your understanding in the delays of the project and the extension approval. I have had a discussion with Russ Gaenzle and Bill Fioravanti in regards to the extension, so the Castle project can be completed. This is an explanation of the project moving forward and the reason for sale tax purchase increases.

The plan is to get a shovel in the ground for the main additions; 15,000 sq. ft. 1st floor, and start the 2nd floor deck this winter. The time line is dictated by 3 factors, supply of materials, weather, and working around the summer season. We will finish the site work early spring. This will allow the first floor slab can be used for activity during the spring and summer season. After the main season in the fall 2022, the rest of the main structure will be completed. The inside new attractions will be completed throughout the build to be fully opened by that Spring 2023.

I have been following the rising cost of everything. As we all know it is anyone's guess where they will stop. The world is still upside down. Due to these cost, the sales tax will coincide. I have been allotted 2M in purchases for sales tax exemption. I have spent over 1M on purchases for the completion of the shop, Zip line, billboard, and some activity items such as the inflatapark. The addition could cost as much as double its original estimate of \$1.5 M, plus we will be purchasing rides and other activities. The portion of sales tax could be \$500,000 to 1M over the \$2 M approved.

Please let me know if further explanation is need.

Brian Leentjes

South Gate Flats LTD 6008 Hood Hollow Austin Texas 78731

December 4, 2021

Subject: Resolution for South Gate Flats, LTD

Mr. Fioravanti,

Thank you for sharing the news of the extension of the resolution for the development of Thayer Resort and Spa in Highland Falls, NY. We are extremely excited about getting this project back on track.

As you know, our project resolution agreement with OCIDA has still not yet been executed as our project has been delayed due to the pandemic. We are aggressively going through a value engineering process with our mechanical, structural, plumbing and electrical consultancy team to find ways to reduce the cost of the project which has increased \$15,170,000 from our pre pandemic construction quotes. We are making some progress but increased prices for steel, pvc, copper, lumber and just about every other building supply and FFE item has increased significantly. In addition to the materials increase, labor shortage and new construction start demand is putting significant upward pressure on labor cost as well. These costs have put the project under further pressure to get off the ground and the assistance from the IDA is absolutely critical for us to find our way to economic feasibility to develop the anchor building in Highland Falls. I want to thank you for your support because without the assistance of the OCIDA this project can definitely not happen.

As I explained to the board in my last letter, I was working with Melanie Schouten throughout 2021 in regard to this significantly increase project cost. We were discussing the need to adjust the amount of the value of improvements of \$17,132,969 that is currently listed in our unsigned resolution. While the support from the IDA is significant and we are extremely grateful for the support, it is no longer enough support to make the project economically feasible for us due to rising prices of labor and all building materials due to Covid, commodity price increases, labor shortages, FFE increases, supply chain challenges and other influences in the development sector.

I am attaching to this letter, 1) our original application to the OCIDA for assistance, 2) my note to you requesting extension of our approved resolution from OCIDA 3) Our 3rd party construction cost analysis from CHA dated October 25, 2021. 4) XLS total project estimate including all professional cost, land cost and soft costs.

You will see on page 16 of the original application to the OCIDA that the total “estimated value of tax exemption” is \$13,000,000, which is about half of the “value of improvements” figure of \$26,136,852 also listed on page 12 (half labor and half materials estimated). Coupling that with the \$4,132,969 “value of equipment” also listed on page 12 of the original OCIDA application ,

is how you get to the total of a construction and equipment cost of \$17,132,969 listed in the resolution.

The calculations to determine our sales tax exemption amount is then done on page 16 by multiplying \$17,132,969 by the tax rate of .08125 yielding an eligibility to receive up to \$1,392,053 of sales and use tax exemption in our resolution.

As mentioned above, we recently commissioned an independent 3rd party construction cost estimating firm, CHA. The current increased estimated cost of the project is outlined in the attached cost estimate report dated October 25, 2021 from CHA. On Page 4 of the CHA cost estimate for the project you will see that the direct trade cost (labor and material) is now \$41,307,398, and this does not include the now increased cost to \$4,600,000 of equipment required for the project (equipment is not included in the CHA cost estimate since those are owner provided direct costs and not construction costs, this is up from the amount of \$4,132,969 listed on page 12 of the original application due to post covid increases).

That brings the total estimated direct trade and equipment cost for our project to \$45,907,398.

This figure of \$45,907,398 does not include additional costs for professional services, land and other administrative and insurance costs of approximately \$15,000,000 for a new total project cost of \$60,374,192. I've attached the XLS total project estimate which includes all of those additional costs for your review.

I will use the same methodology used in our original application, (half of the direct trade costs attributed to labor and half attributed to materials). Thus, \$41,307,398 yields \$20,653,699 in material costs for the project. Adding in the \$4,600,000 value of equipment to the \$20,653,699 materials costs results in a total of \$25,253,699 total cost for materials and equipment.

Using the same formulas on page 16 of the application yields

$$\$25,253,699 \times .08125(\text{tax rate}) = \$2,051,863$$

I respectfully request that the amount of sales and use tax exemption benefits to make purchases of goods and services relating to the Project, that would otherwise be subject to New York State and local sales and use tax be increased commensurate with this cost increase up to \$25,252,699 from the currently listed amount on our unsigned resolution of \$17,132,169, an increase of \$8,123,580 of allowable non-taxable purchases for the project.

This increase results in New York State and local sales and use tax exemption benefits ("Sales and Use Tax Exemption Benefits") not to exceed \$2,051,863 which is an increase of \$659,810 from the currently listed \$1,392,053 on the unsigned approved resolution.

Given the new total project cost of \$60,374,92, it will change the amount of our mortgage tax as well. The mortgage tax exemption calculation is on page 16 of our application. Using the same 30% equity and 70% loan to value ratio as our application will now make our bank loan

\$42,262,444. Multiplying that by .0075 yields a mortgage recording tax exemption of \$316,968

I respectfully request that the amount of the mortgage recording tax exemption be increased to \$316,968 from the current amount of \$204,750 on our unsigned approved resolution resulting in an increase of \$ 112,218.

I am hopeful we can get these requested increases approved to ensure we can get to an economically feasible project. We have just received our updated proposals for demolition of the existing buildings and it is our intention to raze the buildings starting in February 2022 with a projected construction start date of September 2022 provided if we can get our IDA approval increased.

Thank you very much for your consideration of my request and I look forward from hearing back from the board.

Sincerely,

Rick Minicozzi
Managing General Partner