ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

South Gate Flats, LTD

(Applicant Name)

05/06/2026

(Date of Application)

Orange County IDA
4 Crotty Lane, Suite 100 New Windsor, NY 12553
Phone: 845-234-4192 Fax: 845-220-2228
www.ocnyida.com business@ocnyida.com

Updated January 26, 2026

Corporations Section
P.O.Box 13697
Austin, Texas 78711-3697

Jane Nelson
Secretary of State

Office of the Secretary of State

Certificate of Fact

The undersigned, as Secretary of State of Texas, does hereby certify that the document, Certificate of Formation for South Gate Flats, Ltd (file number 803060996), a Domestic Limited Partnership (LP), was filed in this office on July 06, 2018.

It is further certified that the entity status in Texas is in existence.

In testimony whereof, I have hereunto signed my name officially and caused to be impressed hereon the Seal of State at my office in Austin, Texas on May 06, 2026.

Jane Nelson
Secretary of State

ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

MISSION STATEMENT

"The mission of the Orange County Industrial Development Agency is to promote economic growth through a program of incentives-based allocations that assist in the construction, equipping and maintenance of specific types of projects and facilities. The IDA works to advance the health, prosperity and economic welfare of our County's citizens by retaining and creating jobs and attracting new businesses."

ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

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The sections below make up the information and documents that must be completed and submitted to the OCIDA for a project application to be considered. Failure to provide the required information may cause a delay in the project being considered in a timely manner.

Fill in all blanks, using “none” or “not applicable” or “N/A” where the question does not pertain to the applicant’s project.

<u>**Attachments**</u>

ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION

A) **APPLICANT**

Company Name: South Gate Flats, LTD

Mailing Address: 6008 Hood Hollow Austin Texas 78731

Phone No.: 512 563 3617

Fax No.: ____________________

Fed Id. No.: 61 189 6193

Contact Person: Rick Minicozzi

Title: Managing Partner

Contact Phone No.: 512 563 3617

Contact Email: rickmm86@gmail.com

IDA Management must be able to reach the Applicant's Contact throughout the duration of the Agreement. Should this information change at any time IDA Management should be notified Immediately. Please initial stating you understand and consent to the above __________

B) **INDIVIDUAL COMPLETING APPLICATION**

Name: Rick Minicozzi

Company Name: South Gate Flats, LTD

Title: Managing Partner

Address: 6008 Hood Hollow Austin Texas 78731

Phone No.: 512 563 3617

Fax No.: ____________________

Email: rickmm86@gmail.com

C) **APPLICANT'S COUNSEL**

Name: Charlie Tusa

Address: 31 Brookside Drive Greenwich CT 06830

Phone No.: 203 622 9360

Fax No.: ______

Email: CST@gtlslaw.com

IDA Management must be able to reach the Applicant's Counsel throughout the duration of the Agreement. Should this information change at any time IDA Management should be notified Immediately. Please initial stating you understand and consent to the above ______

D) **APPLICANT'S AUDIT CONTACT**

Name: Rick Minicozzi

Address: 6008 Hood Hollow Austin Texas 78731

Phone No.: 512 563 3617

Fax No.: ______

Contact Email: rickmm86@gmail.com

E) **APPLICANT'S GENERAL CONTRACTOR/CONSTRUCTION MANAGER**

Name/Contact: Iron Sword Enterprises/ Greg Louks

Address: 2359 NYS Route 300 Walkill NY

Phone No.: 845 549 4271

Fax No.: ______

Email: greg.louks@ironswordllc.com

F) **Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):**

Name	Office Held	% of Ownership	% of Voting Rights
Rick Minicozzi	Managing Partner	100	100

**Please attach chart if space provided is not sufficient.

G) **Corporate Structure (attach schematic if applicant is a subsidiary or otherwise affiliated with another entity)**

Form of Entity

☐ **Corporation**

Date of Incorporation: ____________________

State of Incorporation: ____________________

☐ **Partnership**

General ☐ or Limited ☐

Number of general partners 1

If applicable, number of limited partners 0 at this time

Date of formation July 6 2018

Jurisdiction of Formation Travis County Texas

☐ **Limited Liability Company/Partnership** (number of members ________)

Date of organization: ____________________

State of Organization: ____________________

☐ **Sole Proprietorship**

H) **If a foreign organization, is the applicant authorized to do business in the State of New York?**

☐ Yes or ▣ No

If no, please explain below:

We are not currently doing any business anywhere. Once approved for grant and hotel is built, we will file for license to do business in state of NY

**Please attach narrative if space provided is not sufficient.

I) **<u>If any of the above persons, or a group of them, owns more than a 50% interest in the company company, list all other organizations which are related to the company by such persons having more than a 50% interest in such organizations.</u>**

The General Partner is Thayer Gate Properties, Incorporated and Rick Minicozzi owns 100% of that company and is President.

**Please attach chart if space provided is not sufficient.

J) **<u>Is the company related to any other organization by reason of more than 50% common ownership? If so, indicate name of related organization and relationship.</u>**

N/A

**Please attach narrative if space provided is not sufficient.

K) **Has the Applicant or any of its affiliated organizations ever received OCIDA benefits?**

☐ Yes or ■ No

If yes, please describe the assisted project below:

N/A

**Please attach narrative if space provided is not sufficient.

L) **Legal Questions:**

1. Is the Company presently the subject of any litigation, or is any litigation threatened, which would have a material adverse effect on the Company's financial condition?

   ☐ Yes or ■ No

2. Has the company or any of its affiliates ever been involved in bankruptcy, a creditor's rights or receivership proceeding, or sought protection from creditors?

   ☐ Yes or ■ No

3. Has the Company ever settled a debt with a lending institution for less than the full amount outstanding?

   ☐ Yes or ■ No

4. Has any senior manager, member, officer or principal of the Company ever been convicted or any felony or misdemeanor, other than a minor traffic violation, or are any such charges pending?

   ☐ Yes or ■ No

5. Has the Company or any of its affiliates, been cited for a violation of federal, state, or local laws or regulations with respect to labor practices, hazardous wastes, environmental pollution or operating practices?

   ☐ Yes or ■ No

6. Are there any outstanding judgments or liens pending against the Company other than liens in the normal course of business?

   ☐ Yes or ■ No

7. Is the Company delinquent on any New York State, federal or local tax obligations?

   ☐ Yes or ■ No

8. Is the applicant (Company) in violation of any local, state, and federal, workers' compensation protection, and environmental laws?

☐ Yes or ■ No

If your answer is "YES" for any of the above questions, please provide an explanation:

N/A

**Please attach narrative if space provided is not sufficient.

M) **Has the company (or any related corporation or person) made a public offering or private placement of its stock within the last year?**

☐ Yes or ■ No

If yes, please attach offering statement used.

N) **Brief description of Company History (formation, growth, transitions, location):**

Partnership was formed in July 2018 to develop South Gate Flats in Highland Falls. The partnership has not conducted any business to date and therefore has no prior financial reports or tax returns to provide as part of the application. Certificate of good standing is attached.

**Please attach narrative if space provided is not sufficient.

Estimated % of sales within the County: 100

Estimated % of sales outside the County but within NYS: 0

Estimated % of sales outside NYS but within the U.S.: 0

Estimated % of sales outside the U.S.: 0

O) **Sales and income projection or a project pro forma for proposed project for the next 3 to 5 years.**

See attached proforma listed as Narrative P

**Please attach chart if space provided is not sufficient

FINANCIAL INFORMATION OF THE COMPANY

A. For existing businesses:

- The Applicant must submit three (3) years of accountant prepared financial statements.
- The Applicant must submit a current Certificate of Good Standing from the Department of State for the business.

B. For new businesses:

- The Applicant must submit three (3) years of personal tax returns for the owner(s).
- The Applicant must submit three (3) years of tax returns for the related businesses as well as Certificates of Good Standing from the Department of State.

The requested Financial Information of the Company is to be kept confidential and is not subject to the Freedom of Information Law (FOIL).

II. PROJECT INFORMATION

A) Project Address: 479 Main Street Highland Falls NY 10928

Tax Map Number 103-14.7, 8, 9,10,11.1,11.2 &12
(Section/Block/Lot)

Located in City of ____________________

Located in Town of Highlands

Located in Village of Highland Falls

School District of Highland Falls

B) Are utilities on site?

Water yes   Electric yes
Gas yes   Sanitary/Storm Sewer yes

C) Present legal owner of the site HF Main Street Real Estate Incorporated
If not the Applicant, who is owner and by what means will the site be acquired? If leasing, when does the lease end?

____

D) Zoning of Project Site: Current: B3 Proposed: B3

E) Are any variances needed? No

F) Environmental Information. An Environmental Assessment Form (EAF) MUST be completed and submitted along with this application. Please visit https://www.dec.ny.gov/permits/6191.html for the online EAF Mapper Application and EAF Forms.

1. Have any environmental issues been identified on the property?

   ☐ Yes or ▣ No

   If yes, please explain:

2. Has any public body issued a State Environmental Quality Review Act determination for this Project?

   ▣ Yes or ☐ No

   If yes, please attach to this application.

G) Attach copies of preliminary plans or sketches of proposed construction or rehabilitation or both.

H) Statement describing project. Include all uses and services, allocated square footages, improvements and equipment to be installed (i.e. land acquisition, construction of manufacturing facility, all exterior renovations including landscaping, etc.):

Narrative attached along with PDF copy of preliminary plan.

**Please attach narrative if space provided is not sufficient.

Attach a detailed description of the proposed project including all uses and services and allocated square footages, improvements and equipment to be installed.

I) Statement describing the impact of incentives on this project, should they be granted:

Narrative attached due to limited space.

**Please attach narrative if space provided is not sufficient.

J) Statement describing the economic benefit to the surrounding community resulting from this project:

Narrative attached for answer number "H" above included the economic benefits of the project.

**Please attach narrative if space provided is not sufficient.

K) Anticipated Date of Completion: 10/01/2028

L) Anticipated Date of Occupancy: 10/15/2028

M) Principal use of project upon completion:

☐ manufacturing	☐ warehousing	☐ research	☐ offices
☐ Industrial	☐ recreation	☐ retail	☐ residential
☐ Training	☐ data process		

If other, explain: Hotel and spa with conference services, restaurant, and office tenancy

Identify NAIC Code, if applicable 721110
(see https://www.census.gov/naics/)

Project Data

1. Project site (land)

   (a) Indicate approximate size (in acres or square feet) of project site.

   30,000 sf

   (b) Are there buildings now on the project site? ■ Yes ☐ No

   (c) Indicate the present use of the project site.

   duplex, fourplex

   (d) Indicate relationship to present user of project.

   None

2. Does the project involve acquisition of an existing building or buildings? If yes, indicate number, size, and approximate age of buildings:

   buildings are already purchased and most razed

3. Does the project consist of the construction of a new building or buildings? If yes, indicate number and size of new buildings:

   Yes, one large 130k sf building

4. Does the project consist of additions and/or renovations to existing buildings? If yes, indicate nature of expansion and/or renovation:

   No

5. Estimated Start Date of Construction: 08/01/2026

6. Estimated End Date of Construction: 10/01/2028

   Has construction work on this project begun? ☐ **Yes or** ■ **No**

   Complete the following

(a) site clearance	☐ Yes	☑ No	________% complete
(b) foundation	☐ Yes	☑ No	________% complete
(c) footings	☐ Yes	☑ No	________% complete
(d) steel	☐ Yes	☑ No	________% complete
(e) masonry work	☐ Yes	☑ No	________% complete
(f) other (describe below)	☐ Yes	☑ No	________% complete

7. If any space in the project is to be leased to third parties, indicate total square footage of the project amount to be leased to each tenant and proposed use by each tenant.

5000 sf of office spaced leased to company for presence at West Pt.

III. PROJECT COSTS & FINANCING

A) Estimated Project Costs

1. State the costs reasonably necessary for the acquisition, construction, and/or renovation of the Project:

Description of Cost Type	**Total Budget Amount**
Land Acquisition	5,109,000
Site Work/Demo	inc see cost document
Building Construction & Renovation	46,533,435
Furniture, Fixtures	included in equiptment
Equipment Subject to NYS Production Sales Tax Exemption (Manufacturing)	7,132,969
Engineering/Architects Fees	1,300,000
Financial Charges	TBD
Legal Fees	TBD
Other	2,904,000
Management /Developer Fee	
Total Project Cost	63,000,000
Total Construction Budget (Project Cost – Acquisition Costs)	

Project refinancing; estimated amount (for refinancing of existing debt only) $____________

2. Sources of Funds for Project Costs:

(a) Bank Financing: $47,250,000

(b) Equity (excluding equity that is attributed to grants/tax credits) $13,850,000

(c) Tax Exempt Bond Issuance (if applicable) $ 0

(d) Taxable Bond Issuance (if applicable) $ 0

(e) Public Sources
(include sum total of all state and federal grants and tax credits) $ 1,900,000

Identify each state and federal grant/credit:

ESD CFA	$
1,900,000	$
	$
	$

Total Sources of Funds for Project Costs: $ 63,000,000

The total amount of public sector funding should equal the public sector amount listed in (2)(e) above.

B) Financial Assistance Requested (estimated values):

Applicants requesting exemptions and/or abatements from OCIDA must provide the estimated value of the savings they anticipate receiving. New York State regulations require OCIDA to recapture any benefit that exceeds the amount listed in this application.

1. Is the Applicant expecting that the financing of the Project will be secured by one or more mortgages: ☒ Yes ☐ No

If yes, list amount requested and name of lender: TBD $47,250,000

2. Benefits Requested:

☒ Sales Tax Exemption ☐ Tax-Exempt/ Taxable Revenue Bond

☒ Mortgage Recording Tax Exemption ☒ Real Property Tax Agreement

C) Amount of Exemption/Abatement Requested:

IDA PILOT Benefit:

1. Is the Applicant requesting a payment in lieu of tax agreement (PILOT) for the purpose of a real property tax abatement? ☒ Yes ☐ No

If yes, identify from the Agency's UTEP the category of PILOT requested:

Is the Applicant requesting any real property tax abatement that is **inconsistent** with the Agency's UTEP? ☐ Yes ■ No

Please contact the Executive Director prior to submission of this Application for assistance with PILOT calculation.

<u>Sales and Use Tax</u>:

2. Estimated value of Sales Tax exemption for facility construction, fixtures and equipment:

$ 53,686,404 * X .08125 (4.125% State, 4% local) = $ 4,362,019

*(*Amount of project cost subject to tax*)

<u>Mortgage Recording Tax Exemption Benefit</u>:

3. Estimated value of Mortgage: $ $47,250,000

Estimated value of Mortgage Recording Tax exemption:

$ 47,250,000 X .0075 = $ 354,375

(Projected Amount of Mortgage X Mortgage Recording Tax = Total)

**To calculate the value of this exemption take 1.05% of the mortgage amount from (C)(3) above to get the "mortgage recording tax" and then multiply the mortgage recording tax figure by 75%. You will receive an exemption equal to 75% of the mortgage recording tax.

<u>Tax-Exempt/ Taxable Revenue Bond Benefit:</u>

☐ Amount of Bonds, if requested: $______________________

Is a purchaser for the Bonds in place? ☐ Yes or ■ No

D) Likelihood of Undertaking Project without Receiving Financial Assistance

Please confirm by checking the box below, will this project move forward without the requested incentives?

☐ Yes or ■ No

If the Project will be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be given economic incentives by the Agency:

The project cannot be developed without the requested assistance from OCIDA. We are hopeful and optimistic that OCIDA will support this pioneering anchor project to serve as a catalyst for revitalization of Highland Falls, inspiring additional investment in the village.

E) In accordance with N.Y. GML Sec. 862(1):

1. Will the Project primarily consist of retail facilities that will be primarily used in making sales of goods or services to customers who personally visit the Project site as defined in Section 862(2)(a) of the GML?

☐ Yes ☑ No

If yes, will the cost of these facilities exceed one-third of the total Project cost?

☐ Yes ☑ No

2. Will the Project be in a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (i) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (ii) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates? (Source: United States Census Bureau https://factfinder.census.gov/)

☐ Yes ☑ No

3. Is the Project site designated as an Empire Zone?

☐ Yes ☑ No

4. Is the Project location or facility likely to attract a significant number of visitors from outside the Mid-Hudson Economic Development Region (i.e.: Orange, Dutchess, Putnam, Rockland, Sullivan, Ulster, and Westchester counties)?

☑ Yes ☐ No

5. Will the Project make available goods or services which are not currently reasonably accessible to the residents of the municipality within which the proposed Project would be located?

☑ Yes ☐ No

6. Will any other companies or related facilities within the state close or be subjected to reduced activity as a result of this Project? If so please list the town and county of the location(s):

☐ Yes ☑ No

7. Will the completion of the Project result in the removal of a plant or facility of the Applicant from one area of the State New York to another area of the State of New York?

☐ Yes ☑ No

8. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant located in the State of New York?

☐ Yes ☑ No

a. If any answer to questions 6, 7 or 8 above is yes, is the Project reasonably necessary to discourage the Applicant from removing such other plant or facility to a location outside the State of New York?

☐ Yes ☐ No

b. If any answer to questions 6, 7 or 8 above is yes, is the Project reasonably necessary to preserve the competitive position of the Applicant in its respective industry?

☐ Yes ☐ No

IV. EMPLOYMENT PLAN

A) **Current Employee Headcount:**

	Current # of jobs at proposed project location or to be relocated to project location from existing facility (e.g. retained jobs)	IF FINANCIAL ASSISTANCE IS GRANTED – project the number of FTE and PTE jobs to be CREATED within THREE Years after Project completion			Estimate number of residents of the Labor Market Area in which the Project is located that will fill the FTE and PTE jobs to be created upon THREE years after Project Completion** 546,042				
		End of Year 1	End of Year 2	End of Year 3	End of Year 1	End of Year 2	End of Year 3	Total New Jobs After 5 Years	Total Retained Jobs After 5 Years
Full Time (FTE)	0	61	66	72	61	66	72	79	
Part Time (PTE)	0			0					
Total	0	61	66	72	61	66	72	79	

Full-time Employee Definition: (i) a full-time, permanent, private-sector employee on the Company's payroll, who has worked at the Project Location for a minimum of 35 hours per week for more than six months of a year and who is entitled to receive the usual and customary fringe benefits extended by Recipient to other employees with comparable rank and duties; or (ii) two part-time, permanent, private sector employees on Recipient's payroll, who have worked at the Project Location for a combined minimum of 35 hours per week for more than six months of a year and who are entitled to receive the usual and customary fringe benefits extended by Recipient to other employees with comparable rank and duties.

**For the purposes of this question, please estimate the number of FTE and PTE jobs that will be filled, as indicated in the third column, by residents of the Labor Market Area, in the fourth column. The Labor Market Area includes Orange County and the surrounding region (or six other contiguous counties, including Orange County, chosen at the Agency's discretion).

B) **Salary and Fringe Benefits for Jobs to be Created:**

Category of Jobs to be Created	Number of Jobs to be created in Year 1	Number of Jobs to be created in Year 2	Number of Jobs to be created in Year 3	Average Salary or Salary Range	Average Fringe Benefit or Range of Fringe Benefits
Management	5	5	6	40,000-60,000	20% - 25%
Professional					
Administrative	12	14	15	40,000-50,000	20% - 30%
Sales	2	3	4	50,000 - 80,000	20% - 25%
Production/ Manufacturing	42	44	47	23,000 - 40,000	25% - %35%
Independent Contractor					
Other (specify)					

If there is a salary range larger than $20,000 in a category above please provide additional breakdown information below:

Sales roles include base salary plus variable compensation with no cap so compensation can vary based on success.

**Please attach breakdown if space provided is not sufficient.

C) **Salary and Fringe Benefits for Jobs to be Retained:**

Category of Jobs to be Retained	Current Number of Jobs	Average Salary or Salary Range	Average Fringe Benefit or Range of Fringe Benefits
Management	N/A		
Professional	N/A		
Administrative	N/A		
Sales	N/A		

Production/ Manufacturing	N/A		
Independent Contractor			
Other (specify)			

D) Describe the benefits or benefits package offered to employees:

Dental and health insurance benefits are included in compensations package, including but not limited to medical, dental, and vision benefits. Employees also receive vacation time and personal days commensurate with their position in the organization. Three free meals per day are served in cafeteria.

**Please attach narrative if space provided is not sufficient.

E) Describe internal training and advancement opportunities offered to employees:

See attached narrative

**Please attach narrative if space provided is not sufficient.

V. REPRESENTATIONS BY THE APPLICANT

The Applicant understands and agrees with the Agency as follows:

A. Job Listings In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the proposed project must be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity (collectively with the DOL, the "JTPA Entitle") of the service delivery area created by the federal job training partnership act (Public Law 97-300) ("JPTA") in which the project is located.

B. First Consideration for Employment In accordance with Section 858-b(2) of the General Municipal Law, the applicant understands and agrees that, if the proposed project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant must first consider persons eligible to participate in JTPA programs who shall be referred by the JPTA Entities for new employment opportunities created as a result of the proposed project.

C. A liability and contract liability policy for a minimum of three million dollars will be furnished by the Applicant insuring the Agency.

D. Annual Sales Tax Fillings In accordance with Section 874(8) of the General Municipal Law, the Applicant understands and agrees that, if the proposed project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the Applicant.

E. Annual Employment Reports and Outstanding Bonds: The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency on an annual basis, reports regarding the number of FTE at this Project site. The Applicant also understands and agrees to provide on an annual basis any information regarding bonds, if any, issued by the Agency for the Project that is requested by the Comptroller of the State of New York.

F. Compliance with N.Y. GML Sec. 862(1): : In accordance with §862 (1) of the New York General Municipal Law, the Applicant understands and agrees that projects which will result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the Project occupant within the state is ineligible for Agency Financial Assistance, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the Project in its respective industry.

G. Compliance with Applicable Laws: The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.

H. False and Misleading Information: The Applicant confirms and acknowledges that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemption claimed by reason of the Agency's involvement the Project.

I. Recapture: Should the Applicant not expend, hire as presented, or violates Sales Tax Exemption regulations, the Agency may view such information/status as failing to meet the established standards of economic performance. In such events, some or all of the benefits taken by the Applicant will be subject to recapture.

J. Rescission of Benefits Conferred: Applicant understands and agrees that in the event that (a) the Applicant does not proceed to final Agency approval within six (6) months of the date the Agency adopts its initial approval resolution and/or (b) close with the Agency on the requested financial assistance within twelve (12) months of the date the Agency adopts its initial resolution, the Agency reserves its right to rescind and cancel all prior approvals. In the event the Agency rescinds its approvals and the Applicant re-applies to the Agency, the Applicant understands and agrees that its re-application will be subject to any and all changes in law, Agency policies or fees imposed by the Agency that are in effect as of the date of re-application.

K. Absence of Conflicts of Interest: The applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

L. Freedom of Information Law (FOIL): The applicant acknowledges that the OCIDA is subject to New York State's Freedom of Information Law (FOIL). Applicants understand that all project information and records related to this application are potentially subject to disclosure under FOIL subject to limited statutory exclusions.

M. The IDA is legally required to submit an annual PARIS report to the state that requires information from each project. Applicant participation is **NOT OPTIONAL**. **ALL INFORMATION** must be submitted in a **COMPLETE** and **TIMELY** manner. Failure to comply with this request **WILL RESULT** in a **LOSS/RECAPTURE** of **ALL OR SOME** of your benefits.

N. GML Compliance: The Applicant certifies that, as of the date of the Application, the proposed project is in substantial compliance with all provisions of NYS General Municipal Law Article 18-A, including but not limited to Sections 859-a and 862(1).

O. OCIDA's Policies: The Applicant is familiar with all of OCIDA' s policies posted on its website https://www.ocnyida.com and agrees to comply with all applicable policies.

P. Disclosure: Article 6 of the Public Officers Law declares that all records in the possession of the OCIDA (with certain limited exceptions) are open to public inspection and copying. If the Applicant feels that there are elements of the Project which are in the nature of trade secrets which, if disclosed to the public or otherwise widely disseminated, would cause substantial injury to the Applicant's competitive position, the Applicant must identify such elements in writing and request that such elements be kept confidential. In accordance with Article 6 of the Public Officers Law, if requested, OCIDA may also redact personal, private, and/or proprietary information from publicly disseminated documents. The Applicant understands that the Applicant must identify in writing to OCIDA any information it deems proprietary or personal and seeks to have redacted and the rationale therefore.

Q. Reliance: THE APPLICANT ACKNOLWEDGES THAT ALL ESTIMATES OF PROJECTED FINANCIALIMPACTS, VALUE OF FINANCIAL ASSISTANCE REQUESTED, AND OTHER INFORMATION CONTAINED IN THIS APPLICATION WILL BE RELIED UPON BY OCIDA AND ANY CHANGES IN SUCH INFORMATION MUST BEMADE IN WRITING AND MAY IMPACT THE GRANT OF FINANCIAL ASSISTANCE TO THE PROJECT.

R. **Prevailing Wage: The Company hereby acknowledges and agrees that the Financial Assistance being provided by the Agency under the Company Documents constitutes "public funds" unless otherwise excluded under Section 224-a(3) of the New York Labor Law, and by executing this Agreement, (i) confirms that it has received notice from the Agency pursuant to Section 224-a(8)(d) of the New York Labor Law and (ii) acknowledges its obligations pursuant to Section 224-a(8)(a) of the New York Labor Law. Other than the Agency Financial Assistance estimates provided herein and disclosed to the Company, the Agency makes no representations or covenants with respect to the total sources of "public funds" received by the Company in connection with the Project.**

ORANGE COUNTY INDUSTRIAL DEVLEOPMENT AGENCY APPLICATION

VERIFICATION

STATE OF Texas)
) SS.:
COUNTY OF Burnet)

Rick Minicozzi, deposes and says that s/he is the
(Name of Individual)
Managing General Partner of South Gate Flats LTD
(Title) (Applicant Name)

that s/he is the CEO or a person authorized to bind the company/applicant, and has personally completed and read the foregoing Application, which includes and incorporates all attachments and exhibits, and knows the contents thereof and that the same is true, accurate, and complete to the best of her/his knowledge, as subscribed and affirmed under the penalties of perjury. The grounds of deponent's beliefs relative to all matters in the said Application which are not stated upon her/his own personal knowledge are investigations which the deponent has caused to be made concerning the subject matter of the Application as well as, if applicable, information acquired by deponent in the course of her/his duties/responsibilities for the Applicant and from the books and records of the Applicant. The deponent also acknowledges the receipt of the schedules attached to the Application, including but not limited to the Agency's fee schedule and assumes responsibility for payment of any and all applicable fees as described therein. Deponent further acknowledges review and understanding of the Agency's published policies, including but not limited to the Agency's Recapture Policy, and agrees on behalf of the Applicant to be bound by and comply with, all such policies.

____
Applicant Representative's Signature

Managing General Partner
Title

Subscribed and sworn to before me this
7 day of May, 20 26.

____
Notary Public

KAITLIN CLARK
NOTARY PUBLIC
STATE OF TEXAS
ID 134925438
EXP. 10-07-2029

This Application should be submitted to:

Orange County Industrial Development Agency
c/o Jeffrey Crist, Chairman
4 Crotty Lane, Suite 100
New Windsor, NY 12553

The Agency will collect an administrative fee at the time of closing.

SEE ATTACHED FEE SCHEDULE AT EXHIBIT "A".

Transaction Counsel

Lino J. Sciarretta
Bleakley Platt & Schimdt, LLP
One Blue Hill Plaza
Pearl River, NY 10965
Tel: (845) 881-2700
Fax: (845) 881-2701
Email: lsciarretta@bpslaw.com

ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

HOLD HARMLESS AGREEMENT

Applicant hereby releases the ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in processing of the Application, including attorneys' fees, if any.

____
(Applicant Signature)

By: ________________________

Name: Rick Minicozzi

Title: Managing General Partner

____
(Notary Public)

Sworn to before me this 7 day of May, 2026

KAITLIN CLARK
NOTARY PUBLIC
STATE OF TEXAS
ID 134925438
EXP. 10-07-2029

ORANGE COUNTY INDUSTRIAL DEVLEOPMENT AGENCY APPLICATION

APPENDIX A
CONFLICT OF INTEREST STATEMENT

Agency Board Members

1. Jeffrey Crist
2. Dean Tamburri
3. Leigh J. Benton
4. Marc Greene
5. Linda Muller
6. Vincent Odock
7. Giovanni Palladino

Agency Officers/Staff

1. Bill Fioravanti
2. Kelly Reilly
3. Marty Borrás

Agency Legal Counsel

1. Bleakley Platt & Schmidt, LLP
2. Hawkins Delafield & Wood, LLP

The Applicant has received from the Agency a list of members, officers, and staff of the Agency. To the best of my knowledge, no member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

Signature:

Authorized Representative: Rick Minicozzi

Title: Managing Partner

Date: 05/06/2026

ORANGE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

Orange County FUNDING CORPORATION

AGENCY FEE SCHEDULE

Fee Schedule for Orange County IDA and Orange County Funding Corp. (the "Agency")

A. **Application Fees**: $5,000 total, due at time of application submission, non-refundable, paid as follows:

- **Administrative Application Fee:** $2,500 to be remitted directly to the Agency*; and*

- **Counsel Application Fee:** $2,500 to be remitted directly to the Agency's legal counsel.

B. **Project Commitment Fees**:

- **Agency Fee**: Due with fully executed Inducement Resolution. Non-refundable. Commitment Fee is 10% of the total estimated closing fee, not less than $2,500 nor more than $10,000. Paid amount is applied to Closing Fee.

- **Counsel Fee**: Due with fully executed Inducement Resolution. Non-refundable. Commitment Fee is 10% of the total estimated closing fee, not less than $2,500 nor more than $10,000. Paid amount is applied to Closing Fee.

- **Reimbursement of Expenses Fee**: In the event the project does not proceed to closing, the Agency shall be entitled to reimbursement from the Applicant for all third parties expenses incurred, including but not limited to, public hearing notice publication, transcription services, costs affiliated with procurement of public hearing venues and the costs incurred in connection with cost-benefit analysis calculations.

C. **Closing Fees**:

i. For **Sales Tax Exemption** benefit:

- **Agency Fee**: Agency fee is .5% of the first $4,000,000 of the total project cost that is subject to sales tax, plus .25% of the remaining cost of the project subject to sales tax.

- **Counsel Fee**: Base $2,500 fee, plus .5% on the first $500,000; and .25% thereafter on the portion of the project receiving the benefit. Minimum closing fee is $2,500.

ii. For **Mortgage Recording Tax Exemption** benefit:

• **Agency Fee**: Agency fee is .1% of the value of the mortgage.

• **Counsel Fee**: Base $2,500 fee, plus .5% on the first $500,000; and .25% thereafter on the portion of the project receiving the benefit. Minimum closing fee is $2,500.

iii. For **PILOT Agreements**:

• **Agency Fee**: The Orange County Industrial Development Agency will impose a fee for all Payment In Lieu of Tax (PILOT) Agreements provided by the Agency. The fee is due upon closing and is dependent upon the project's specific industry sector, as follows:

- **Priority Industry Sector**: Fee is 1% of the first $2,000,000 of the total project costs (including land acquisition costs), plus .5% of the amount above that.
- **Manufacturing Sector**: Fee is 1% of the first $2,000,000 of the total project costs, plus .5% of the amount above that.
- **Workforce Housing**: Fee is 1% of the first $2,000,000 of the total project costs, plus .5% of the amount above that.
- **Hotel/Hospitality Sector**: Fee is 1% of the total project costs.
- **Warehouse/Distribution Sector**: Fee is 1% of the total project costs.
- **Retail Sector:** Fee is 2% of the first $2,000,000 of the total project costs, plus 1% of the amount above that.

• **Counsel Fee**: Base $2,500 fee, plus .5% on the first $500,000; and .25% thereafter on the portion of the project receiving the benefit. Minimum closing fee is $2,500.

iv. For **Bond Transactions**:

Closing fees for bond transactions are based on the principal amount of the bonds issued, as follows:

For **Tax-Exempt Bonds**:

• The first $10 million of principal amount: 1% of total bond value;

• The next $10 million – $25 million: .5% of bond value;

• Remaining principal amount above $35 million: .25% of bond value.

For **Taxable Bonds**:

- 1/4% of the principal amount of the bonds.

For **Refinancing Bonds**:

- .5% of the principal amount of the bonds to be refinanced.

Please note that the minimum fee for a Bonds transaction is $10,000.

Statutory Mandated Bond Issuance Charge (BIC)

Pursuant to Section 51 of Chapter 56 of the Laws of 2024 Under State law, there is a statutory fee required for all bonds issued by the Agency, which is payable to the New York State Department of Taxation and Finance. Note: This fee is only applicable to bonds issued by the Orange County IDA. The BIC fee is calculated as a percentage of the Principal Amount of Bonds Issued at the following rates:

- $20,000,000 or less: 0%
- More than $20,000,000: .35%

Counsel Fees: There will be a bond counsel fee based on the standard hourly billing rates of the Bond Counsel providing services, plus disbursements. Bond Counsel will provide monthly statements, if requested. Payment of fees and disbursements will be due at closing or upon abandonment of the financing.

With respect to each element of the Closing Fees set forth above, the portion of the Agency Fee applicable to the applicable element or elements shall be due upon execution and delivery of the documentation creating the applicable benefit.

If at any time the Project costs change prior to the Final Resolution, please inform management immediately for closing fee recalculation purposes.

Please initial stating you understand the foregoing, have provided accurate project costs, and consent to the estimated closing fee provided above
__RM___

D. **ANNUAL COMPLIANCE FEE**

An Annual Compliance Fee in the amount of $750 will be charged to all active projects of the Agency.

Annual compliance requirements include: Proof of insurance; proof of PILOT payments; copy of ST340 sales tax exemption form; status of job creation and retention; and, any additional data that may be required by the New York State Comptroller. The first payment of the compliance fee will be due at closing; for succeeding years, **February 20th** will be the due date.

The annual compliance fee does not include fees that the Applicant may be required to pay to an independent third-party auditor for monitoring compliance with Prevailing Wage Requirements or Local Labor Requirements, whichever is applicable.

The Agency reserves the right to adjust the Annual Compliance Fee from time to time.

E. **LOCAL LABOR MONITORING FEES**

The Agency will retain an independent third party to review compliance by the Applicant with the Prevailing Wage Requirements or the Local Labor Requirements, whichever is applicable. The Applicant shall be responsible for the fees and expenses of such independent third-party relating to the foregoing monitoring responsibilities.

The Agency employs a third-party firm, or firms, to monitor compliance with our Local Labor Policy (attached hereto). The total anticipated labor monitoring fees, borne entirely by the applicant, are assessed up-front, upon the closing of your OCIDA transaction. However, if Project delays occur or if extra monitoring is required, additional fees may be assessed. These fees will be deposited into a non-interest-bearing escrow account and will fund the ongoing audit of Local Labor Policy compliance throughout construction of the Project.

Any unused funds on deposit with the Agency will be returned to the applicant upon Project completion. Additional information relating to this monitoring program may be obtained upon request from the Agency.

The total anticipated monitoring fees are based on total project costs:

- Less than $5 million: $5,000.
- Greater than $5 million, less than $15 million: $10,000.
- Greater than $15, less than $25 million: $20,000.
- Greater than $25 million, less than $50 million: $30,000.
- Greater than $50 million, less than $100 million: $45,000.
- Greater than $100 million, less than $500 million: $55,000.
- Greater than $500 million: To be determined by the Agency.

- **Agency Administrative Fee:** 2% of the total anticipated Local Labor monitoring fees.

F. **OTHER TRANSACTION FEES**

- Amendments, Assignments and other transactions: $1,500.00

- Project Termination Fee: $1,000.00

- Submitting Annual Compliance Data *after* February 20th: $2,500.00

This Agency Fee Schedule is the standard used when calculating all Project fees. These fees are not open for negotiation.

Please initial stating you understand and consent to the above ___

COMPLETENESS OF APPLICATIONS

An application must be deemed complete by the Agency before the Agency will take any action with respect to the proposed project and financial assistance being requested.

In order to be complete, an Application must include the following upon submission:

1. Signed and notarized Application.

2. Signed acknowledgment of having read and agreed to the Agency's Local Construction Labor Policy.

3. Completed Environmental Assessment Form.

6. Check or other form of payment of Agency Application Fee in the amount of $2,500.00.

The sufficiency of the information included in the Application shall be determined in the sole discretion of the Agency, and upon a request by the Agency for further information, the Application will not be deemed complete until such time as the requested information has been provided to the Agency.

<u>Please Make All Checks Payable to</u>:

Orange County Industrial Development Agency

<u>Mail to</u>:
4 Crotty Lane, Suite 100
New Windsor, NY 12553

EXHIBIT "C"

LABOR POLICY

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY / ORANGE COUNTY FUNDING CORPORATION

Adopted 08-06-25

The Orange County Industrial Development Agency (IDA) was established for the purpose of creating employment opportunities for, and to promote the general prosperity and economic welfare of the residents of Orange County. The IDA offers economic incentives and benefits to qualified applicants who wish to locate or expand their businesses or facilities in Orange County. When the IDA approves a project, it enters into agreements to extend these incentives and benefits to the applicant.

Construction jobs, though limited in time duration, are vital to the overall employment opportunities and economic growth in Orange County. The IDA believes that companies benefiting from its incentive programs should employ local laborers, mechanics, craft persons, journey workers, equipment operators, truck drivers and apprentices (hereinafter" construction workers"), including those who have returned from military service, during the construction phase of projects. In this way, the IDA can generate significant benefits to advance the County's general prosperity. It is, therefore, the policy of the IDA that firms benefiting from its programs shall employ workers from Orange County and the "local labor" market during all project phases, including the construction phase.

For the purpose of this policy, the "local labor" market for construction workers shall be defined as those individuals living in Orange, Ulster, Sullivan, Dutchess, Putnam, Rockland, Westchester, and Delaware Counties. Applicants receiving IDA benefits shall ensure the contractor/ developer hire at least 85% from the "local labor" market for their approved projects. The 85% shall be borne by each primary contractor, and in total at the time of completion of the project. The contractor/developer is mandated to keep daily log sheets of all field workers, commencing on the date of application. Any work performed after application shall be included in the determination of overall compliance with the 85% hiring requirements of this policy. A third-party auditing firm will be engaged to monitor construction work commencing on the date benefits are granted by resolution of the IDA Board.

However, the IDA recognizes that the use of local labor may not be possible for the following reasons and the applicant may request an exemption on a particular contract or trade scope for the following reasons:

1. Warranty issues related to installation of specialized equipment whereby the manufacturer requires installation by only approved installers;

2. Specialized construction is required, and no local contractors or local construction workers have the required skills, certifications or training to perform the work;

3. Cost Differentials:
    a. For projects whose project cost exceeds $15M, significant cost differentials in bid prices whereby the use of local labor and materials significantly increases the sub contract or contract of a particular trade or work scope by at least 20%. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 20% cost differential including, but not limited to, communicating and meeting with local construction trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;
    b. For projects whose project cost is less than $15M, significant cost differentials in bid prices whereby the use of local labor and materials significantly increases the sub contract or contract of a particular trade or work scope by 10% or more. Every reasonable effort should be made by the applicant and or the applicant's contractor to get below the 10% cost differential including, but not limited to, communicating and meeting with local construction trade organizations, such as the Hudson Valley Building and Construction Trades Council and other local Contractor Associations;

4. No labor is available for the project; and

5. The contractor requires key or core persons such as supervisors, foreman or "construction workers" having special skills that are not available in the "local labor" market.

The request to secure an exemption for the use of non-local labor must be received from the applicant on the exemption form provided by the IDA or the 3rd party monitor and received in advance of work commencing. The request will be reviewed by the 3rd party monitor and forwarded to the IDA, at which time the IDA's Audit Committee shall have the authority to approve or disapprove the exemption. The 3rd party monitor shall report each authorized exemption to the Board of Directors at its monthly meeting.

It is the goal of the County of Orange and the IDA to promote the use of local veterans on projects receiving IDA benefits. By partnering with local contractors, local contractor groups, local trade unions and contractors awarded work on IDA projects, there are opportunities for veterans to gain both short term and long term careers in the construction industry.

Once approved for IDA benefits, all applicants will be required to provide to IDA staff the following information:

1. Description of the nature of construction jobs created by the project, including in as much detail as possible, the number, type and duration of construction positions;
2. The names, contact information, certificate of authorization to do business in the State of New York and copies of current Certificates of NYS Workers' Compensation Insurance, NYS Disability Insurance, General Liability Insurance and proof of current OSHA training certification from all contractors' employees performing work on the site; and
3. A Construction Completion Report listing the names and business locations of prime contractors, subcontractors and vendors who have been engaged in the construction phase of the project.

All Orange County IDA projects are subject to local monitoring by the IDA and any 3rd party monitor. The applicant and/or the Construction Manager or General Contractor acting as agent for the applicant on the project, shall keep a log book on site detailing the number of workers, hours worked and counties and states in which they reside. Proof of residency or copy of drivers' license shall be included in the log book, along with evidence of necessary OSHA certifications. Reports will be on forms provided by the IDA or weekly payroll reports which contain the same information as required on the IDA issued form. The applicant and contractors are subject to periodic inspection or monitoring by the IDA or 3rd party monitor.

The 3rd party monitor shall issue a report to the IDA staff immediately when an applicant or applicant's contractor is not in compliance with this labor policy. IDA staff shall advise the Audit Committee and/or IDA Board of non-compliance by email or at the next scheduled meeting. If a violation of policy has occurred, IDA staff shall notify the applicant and contractor in writing of non-compliance and give applicant a warning of violation and 72 hours in which to correct such violation. Upon evidence of continued non-compliance or additional violations, the IDA and/or its 3rd party monitor shall notify the applicant that the project is in violation of the Orange County IDA Labor Policy and is subject to IDA Board action which may result in the revocation, termination and/or recapture of any or all benefits conferred by the IDA.

The IDA will use a third party firm or firms to monitor and audit compliance with this local labor policy, the cost of which shall be paid for by the Company in advance of the audits and held in a non-interest bearing escrow account until audits are complete.

The applicant of an IDA approved project shall be required to maintain a 4' X 8' bulletin board on the project site containing the following information:

1. Contact information of the applicant;
2. Summary of the IDA benefits received;
3. Contractor's names and contact information on IDA provided form;
4. Copies of proof of exemption from labor policy;
5. Copies of any warnings or violations of policy;
6. Copy of the Executed Labor Policy.

The bulletin board shall be located in an area that is accessible to onsite workers and visitors, which should be clear and legible at least 10 feet from said board.

The applicant has read the OCIDA Labor Policy and agrees to adhere to it without changes and shall require its construction manager, general contractor and sub-contractors who are not exempt to acknowledge the same. The Applicant understands and agrees that it is responsible for all third-party auditing and monitoring costs.

Applicant Signature	Signature of CM, GC or SC
South Gate Flats, LTD Company Name	Company Name
Rick Minicozzi Print Name of above signer	Print Name of above signer
rickmm86@gmail.com 5125633617 Email/phone of Applicant	Email/phone of CM/GC/SC
5/6/2026 Date	Date

Section II Project Information Item F

Attached is EAF part 1 submission for the project. Please note that the name on the application is HF Main Street Real Estate Incorporated, the current owner of the parcels. South Gate Flats LTD had no standing to file the EAF. Additionally, note that the project at the time was only 63 units and has since changed to a 100 room Hotel and Spa to clarify any discrepancy in this EAF submission and our current application to the IDA. The project will be the 100 rooms hotel and spa and the 63 units project had been abandoned. The EAF part 1 application remains the same for the same parcels of land.

Full Environmental Assessment Form
Part 1 - Project and Setting

Instructions for Completing Part 1

Part 1 is to be completed by the applicant or project sponsor. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification.

Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information; indicate whether missing information does not exist, or is not reasonably available to the sponsor; and, when possible, generally describe work or studies which would be necessary to update or fully develop that information.

Applicants/sponsors must complete all items in Sections A & B. In Sections C, D & E, most items contain an initial question that must be answered either "Yes" or "No". If the answer to the initial question is "Yes", complete the sub-questions that follow. If the answer to the initial question is "No", proceed to the next question. Section F allows the project sponsor to identify and attach any additional information. Section G requires the name and signature of the applicant or project sponsor to verify that the information contained in Part 1is accurate and complete.

A. Project and Applicant/Sponsor Information.

Name of Action or Project: Mixed-Use Downtown Anchor Building Zoning Amendment and Conditional Use Application for 149 Main Street		
Project Location (describe, and attach a general location map): Village of Highland Falls B-1 Zoning District within one-quarter mile of the Thayer Gate of the US Milltary Academy		
Brief Description of Proposed Action (include purpose or need): The action is amendment to the Village of Highland Falls Zoning Ordinance of 1969 to allow application for authorization of large mixed-use downtown anchor buildings as a conditional use of the Board of Trustees and authorization of a 29,165 square foot tract for as a mixed-use downtown anchor building comprising 135,500 square feet of floor area to be used for 63 residential units, most of which are anticipated to be rented as overnight accommodations on a short-term basis, approximately 4,859 square feet of spa-fitness, 9,986 square feet of office/conference space, and 3,220 square feet of retail, service or restaurant use.		
Name of Applicant/Sponsor: HF Main Street Real Estate, Inc.	Telephone: (512) 563-3617 E-Mail: rickmm86@gmail.com	
Address: 6008 Hood Hollow		
City/PO: Austin	State: TX	Zip Code: 78731
Project Contact (if not same as sponsor; give name and title/role): Maximilian Stach - Planner	Telephone: 845-368-1472 x106 E-Mail: mstach@nelsonpope.com	
Address: 156 Route 59 Suite C6		
City/PO: Suffern	State: NY	Zip Code: 10901
Property Owner (if not same as sponsor):	Telephone: E-Mail:	
Address:		
City/PO:	State:	Zip Code:

B. Government Approvals

B. Government Approvals, Funding, or Sponsorship. ("Funding" includes grants, loans, tax relief, and any other forms of financial assistance.)

Government Entity		If Yes: Identify Agency and Approval(s) Required	Application Date (Actual or projected)
a. City Counsel, Town Board, or Village Board of Trustees	☑Yes ☐No	Village Board: Text Amendment; Conditional Use Authorization	June 17, 2019
b. City, Town or Village Planning Board or Commission	☑Yes ☐No	Town of Highlands Planning Board	TBD
c. City, Town or Village Zoning Board of Appeals	☐Yes ☑No		
d. Other local agencies	☐Yes ☑No		
e. County agencies	☑Yes ☐No	Orange County Health Department - Possible Approval of Hotel	TBD
f. Regional agencies	☐Yes ☑No		
g. State agencies	☐Yes ☑No		
h. Federal agencies	☐Yes ☑No		

i. Coastal Resources.

i. Is the project site within a Coastal Area, or the waterfront area of a Designated Inland Waterway? ☑Yes ☐No

ii. Is the project site located in a community with an approved Local Waterfront Revitalization Program? ☐Yes ☑No

iii. Is the project site within a Coastal Erosion Hazard Area? ☐Yes ☑No

C. Planning and Zoning

C.1. Planning and zoning actions.

Will administrative or legislative adoption, or amendment of a plan, local law, ordinance, rule or regulation be the only approval(s) which must be granted to enable the proposed action to proceed? ☐Yes ☑No

- **If Yes,** complete sections C, F and G.
- **If No,** proceed to question C.2 and complete all remaining sections and questions in Part 1

C.2. Adopted land use plans.

a. Do any municipally- adopted (city, town, village or county) comprehensive land use plan(s) include the site where the proposed action would be located? ☑Yes ☐No

If Yes, does the comprehensive plan include specific recommendations for the site where the proposed action would be located? ☑Yes ☐No

b. Is the site of the proposed action within any local or regional special planning district (for example: Greenway; Brownfield Opportunity Area (BOA); designated State or Federal heritage area; watershed management plan; or other?) ☐Yes ☑No

If Yes, identify the plan(s):

c. Is the proposed action located wholly or partially within an area listed in an adopted municipal open space plan, or an adopted municipal farmland protection plan? ☑Yes ☐No

If Yes, identify the plan(s):

Village of Highland Falls Comprehensive Plan - 2009

C.3. Zoning

a. Is the site of the proposed action located in a municipality with an adopted zoning law or ordinance. ☑ Yes ☐ No
If Yes, what is the zoning classification(s) including any applicable overlay district?
B-1 Village Business

b. Is the use permitted or allowed by a special or conditional use permit? ☐ Yes ☑ No

c. Is a zoning change requested as part of the proposed action? ☑ Yes ☐ No
If Yes,
i. What is the proposed new zoning for the site? Same Zoning District - Text Amendment to Allow Mixed-Use Downtown Anchor Buildings

C.4. Existing community services.

a. In what school district is the project site located? Highland Falls Central School District

b. What police or other public protection forces serve the project site?
Village of Highland Falls Police Department

c. Which fire protection and emergency medical services serve the project site?
Highland Falls Fire Department; Town of Highlands Ambulance

d. What parks serve the project site?
Roe Park, Memorial Park, Ladycliff Park; Harriman and Bear Mountain State Parks

D. Project Details

D.1. Proposed and Potential Development

a. What is the general nature of the proposed action (e.g., residential, industrial, commercial, recreational; if mixed, include all components)? mixed residential and commercial

b. a. Total acreage of the site of the proposed action? 7.66 (zoning) acres
b. Total acreage to be physically disturbed? 0.67 acres
c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? 0.67 acres

c. Is the proposed action an expansion of an existing project or use? ☐ Yes ☑ No
i. If Yes, what is the approximate percentage of the proposed expansion and identify the units (e.g., acres, miles, housing units, square feet)? % ____________ Units: ____________

d. Is the proposed action a subdivision, or does it include a subdivision? ☐ Yes ☑ No
If Yes,
i. Purpose or type of subdivision? (e.g., residential, industrial, commercial; if mixed, specify types)
ii. Is a cluster/conservation layout proposed? ☐ Yes ☐ No
iii. Number of lots proposed? ________
iv. Minimum and maximum proposed lot sizes? Minimum ________ Maximum ________

e. Will the proposed action be constructed in multiple phases? ☐ Yes ☑ No
i. If No, anticipated period of construction: 18 months
ii. If Yes:
- Total number of phases anticipated ____
- Anticipated commencement date of phase 1 (including demolition) ____ month ____ year
- Anticipated completion date of final phase ____ month ____ year
- Generally describe connections or relationships among phases, including any contingencies where progress of one phase may determine timing or duration of future phases: ____________

f. Does the project include new residential uses? ☑ Yes ☐ No
If Yes, show numbers of units proposed.

	One Family	Two Family	Three Family	Multiple Family (four or more)
Initial Phase				63
At completion of all phases				63

g. Does the proposed action include new non-residential construction (including expansions)? ☑ Yes ☐ No
If Yes,
i. Total number of structures 1
ii. Dimensions (in feet) of largest proposed structure: 70 height; 200 width; and 140 length
iii. Approximate extent of building space to be heated or cooled: 111328 square feet

h. Does the proposed action include construction or other activities that will result in the impoundment of any liquids, such as creation of a water supply, reservoir, pond, lake, waste lagoon or other storage? ☐ Yes ☑ No
If Yes,
i. Purpose of the impoundment: ____
ii. If a water impoundment, the principal source of the water: ☐ Ground water ☐ Surface water streams ☐ Other specify: ____
iii. If other than water, identify the type of impounded/contained liquids and their source. ____
iv. Approximate size of the proposed impoundment. Volume: ____ million gallons; surface area: ____ acres
v. Dimensions of the proposed dam or impounding structure: ____ height; ____ length
vi. Construction method/materials for the proposed dam or impounding structure (e.g., earth fill, rock, wood, concrete): ____

D.2. Project Operations

a. Does the proposed action include any excavation, mining, or dredging, during construction, operations, or both? ☑ Yes ☐ No
(Not including general site preparation, grading or installation of utilities or foundations where all excavated materials will remain onsite)
If Yes:
i .What is the purpose of the excavation or dredging? Installing footings and foundation; building into hillside.
ii. How much material (including rock, earth, sediments, etc.) is proposed to be removed from the site?
- Volume (specify tons or cubic yards): ~5,900 cubic yards
- Over what duration of time? 12 months

iii. Describe nature and characteristics of materials to be excavated or dredged, and plans to use, manage or dispose of them.
Swartswood gravelly loam soils. Will be tested and exported as clean fill.
iv. Will there be onsite dewatering or processing of excavated materials? ☐ Yes ☑ No
If yes, describe. ____
v. What is the total area to be dredged or excavated? 0.610 acres
vi. What is the maximum area to be worked at any one time? 0.610 acres
vii. What would be the maximum depth of excavation or dredging? ~15 feet
viii. Will the excavation require blasting? ☐ Yes ☑ No
ix. Summarize site reclamation goals and plan: ____
To be determined.

b. Would the proposed action cause or result in alteration of, increase or decrease in size of, or encroachment into any existing wetland, waterbody, shoreline, beach or adjacent area? ☐ Yes ☑ No
If Yes:
i. Identify the wetland or waterbody which would be affected (by name, water index number, wetland map number or geographic description): ____

ii. Describe how the proposed action would affect that waterbody or wetland, e.g. excavation, fill, placement of structures, or alteration of channels, banks and shorelines. Indicate extent of activities, alterations and additions in square feet or acres:

____

iii. Will the proposed action cause or result in disturbance to bottom sediments? ☐Yes ☐No
If Yes, describe: _______________

iv. Will the proposed action cause or result in the destruction or removal of aquatic vegetation? ☐Yes ☐No
If Yes:

- acres of aquatic vegetation proposed to be removed: _______________
- expected acreage of aquatic vegetation remaining after project completion: _______________
- purpose of proposed removal (e.g. beach clearing, invasive species control, boat access): _______________
- proposed method of plant removal: _______________
- if chemical/herbicide treatment will be used, specify product(s): _______________

v. Describe any proposed reclamation/mitigation following disturbance: _______________

c. Will the proposed action use, or create a new demand for water? ☑Yes ☐No
If Yes:
i. Total anticipated water usage/demand per day: 12,750 gallons/day
ii. Will the proposed action obtain water from an existing public water supply? ☑Yes ☐No
If Yes:

- Name of district or service area: Highland Falls Water Department
- Does the existing public water supply have capacity to serve the proposal? ☑Yes ☐No
- Is the project site in the existing district? ☑Yes ☐No
- Is expansion of the district needed? ☐Yes ☑No
- Do existing lines serve the project site? ☑Yes ☐No

iii. Will line extension within an existing district be necessary to supply the project? ☐Yes ☑No
If Yes:

- Describe extensions or capacity expansions proposed to serve this project: _______________
- Source(s) of supply for the district: _______________

iv. Is a new water supply district or service area proposed to be formed to serve the project site? ☐Yes ☑No
If, Yes:

- Applicant/sponsor for new district: _______________
- Date application submitted or anticipated: _______________
- Proposed source(s) of supply for new district: _______________

v. If a public water supply will not be used, describe plans to provide water supply for the project: _______________

vi. If water supply will be from wells (public or private), what is the maximum pumping capacity: _______ gallons/minute.

d. Will the proposed action generate liquid wastes? ☑Yes ☐No
If Yes:
i. Total anticipated liquid waste generation per day: 12,750 gallons/day
ii. Nature of liquid wastes to be generated (e.g., sanitary wastewater, industrial; if combination, describe all components and approximate volumes or proportions of each): sanitary wastewater - 100%

iii. Will the proposed action use any existing public wastewater treatment facilities? ☑Yes ☐No
If Yes:

- Name of wastewater treatment plant to be used: Highland Falls Village
- Name of district: Highland Falls Village
- Does the existing wastewater treatment plant have capacity to serve the project? ☑Yes ☐No
- Is the project site in the existing district? ☑Yes ☐No
- Is expansion of the district needed? ☐Yes ☑No

- Do existing sewer lines serve the project site? ☑Yes ☐No
- Will a line extension within an existing district be necessary to serve the project? ☐Yes ☑No

  If Yes:
  - Describe extensions or capacity expansions proposed to serve this project: ____________________

iv. Will a new wastewater (sewage) treatment district be formed to serve the project site? ☐Yes ☑No

If Yes:
- Applicant/sponsor for new district: ____________________
- Date application submitted or anticipated: ____________________
- What is the receiving water for the wastewater discharge? ____________________

v. If public facilities will not be used, describe plans to provide wastewater treatment for the project, including specifying proposed receiving water (name and classification if surface discharge or describe subsurface disposal plans):
____

vi. Describe any plans or designs to capture, recycle or reuse liquid waste: ____________________

e. Will the proposed action disturb more than one acre and create stormwater runoff, either from new point sources (i.e. ditches, pipes, swales, curbs, gutters or other concentrated flows of stormwater) or non-point source (i.e. sheet flow) during construction or post construction? ☐Yes ☑No

If Yes:

i. How much impervious surface will the project create in relation to total size of project parcel?
_____ Square feet or _____ acres (impervious surface)
_____ Square feet or _____ acres (parcel size)

ii. Describe types of new point sources. ____________________

iii. Where will the stormwater runoff be directed (i.e. on-site stormwater management facility/structures, adjacent properties, groundwater, on-site surface water or off-site surface waters)?
____

- If to surface waters, identify receiving water bodies or wetlands: ____________________
- Will stormwater runoff flow to adjacent properties? ☐Yes ☐No

iv. Does the proposed plan minimize impervious surfaces, use pervious materials or collect and re-use stormwater? ☐Yes ☐No

f. Does the proposed action include, or will it use on-site, one or more sources of air emissions, including fuel combustion, waste incineration, or other processes or operations? ☑Yes ☐No

If Yes, identify:

i. Mobile sources during project operations (e.g., heavy equipment, fleet or delivery vehicles)
None

ii. Stationary sources during construction (e.g., power generation, structural heating, batch plant, crushers)
Temporary small generators and air compressors during construction.

iii. Stationary sources during operations (e.g., process emissions, large boilers, electric generation)
Possible building heating plant and backup generator.

g. Will any air emission sources named in D.2.f (above), require a NY State Air Registration, Air Facility Permit, or Federal Clean Air Act Title IV or Title V Permit? ☐Yes ☑No

If Yes:

i. Is the project site located in an Air quality non-attainment area? (Area routinely or periodically fails to meet ambient air quality standards for all or some parts of the year) ☐Yes ☐No

ii. In addition to emissions as calculated in the application, the project will generate:
- ___________Tons/year (short tons) of Carbon Dioxide (CO_2)
- ___________Tons/year (short tons) of Nitrous Oxide (N_2O)
- ___________Tons/year (short tons) of Perfluorocarbons (PFCs)
- ___________Tons/year (short tons) of Sulfur Hexafluoride (SF_6)
- ___________Tons/year (short tons) of Carbon Dioxide equivalent of Hydroflourocarbons (HFCs)
- ___________Tons/year (short tons) of Hazardous Air Pollutants (HAPs)

h. Will the proposed action generate or emit methane (including, but not limited to, sewage treatment plants, landfills, composting facilities)? ☐ Yes ☑ No

If Yes:

i. Estimate methane generation in tons/year (metric): ____________

ii. Describe any methane capture, control or elimination measures included in project design (e.g., combustion to generate heat or electricity, flaring): ____________

i. Will the proposed action result in the release of air pollutants from open-air operations or processes, such as quarry or landfill operations? ☐ Yes ☑ No

If Yes: Describe operations and nature of emissions (e.g., diesel exhaust, rock particulates/dust):

____

j. Will the proposed action result in a substantial increase in traffic above present levels or generate substantial new demand for transportation facilities or services? ☐ Yes ☑ No

(use anticipated to capture existing pass-through traffic)

If Yes:

i. When is the peak traffic expected (Check all that apply): ☑ Morning ☐ Evening ☐ Weekend
☐ Randomly between hours of ________ to ________.

ii. For commercial activities only, projected number of truck trips/day and type (e.g., semi trailers and dump trucks): ____________

iii. Parking spaces: Existing 21 Proposed 63 Net increase/decrease +39

iv. Does the proposed action include any shared use parking? ☑ Yes ☐ No

v. If the proposed action includes any modification of existing roads, creation of new roads or change in existing access, describe: ____________

vi. Are public/private transportation service(s) or facilities available within ½ mile of the proposed site? ☑ Yes ☐ No

vii Will the proposed action include access to public transportation or accommodations for use of hybrid, electric or other alternative fueled vehicles? ☐ Yes ☑ No

viii. Will the proposed action include plans for pedestrian or bicycle accommodations for connections to existing pedestrian or bicycle routes? ☐ Yes ☑ No

k. Will the proposed action (for commercial or industrial projects only) generate new or additional demand for energy? ☑ Yes ☐ No

If Yes:

i. Estimate annual electricity demand during operation of the proposed action:
1,991MWh excluding residence/hotel

ii. Anticipated sources/suppliers of electricity for the project (e.g., on-site combustion, on-site renewable, via grid/local utility, or other):
Orange and Rockland Utilities

iii. Will the proposed action require a new, or an upgrade, to an existing substation? ☐ Yes ☑ No

l. Hours of operation. Answer all items which apply.

i. During Construction:

- Monday - Friday: 8AM-7PM
- Saturday: ________
- Sunday: ________
- Holidays: ________

ii. During Operations:

- Monday - Friday: 24 Hours
- Saturday: 24 Hours
- Sunday: 24 Hours
- Holidays: 24 Hours

m. Will the proposed action produce noise that will exceed existing ambient noise levels during construction, operation, or both? ☑ Yes ☐ No

If yes:

i. Provide details including sources, time of day and duration:

Excavation and construction noise weekdays for 12 months during construction.

ii. Will the proposed action remove existing natural barriers that could act as a noise barrier or screen? ☐ Yes ☑ No

Describe: ______

n. Will the proposed action have outdoor lighting? ☑ Yes ☐ No

If yes:

i. Describe source(s), location(s), height of fixture(s), direction/aim, and proximity to nearest occupied structures:

All fixtures will be energy efficient downcast lighting to residential standards. Closest occupied structure is approximately 40-50 feet away but will be located at higher elevations. Rooftop lighting will not generally be visible to neighboring structures.

ii. Will proposed action remove existing natural barriers that could act as a light barrier or screen? ☐ Yes ☑ No

Describe: ______

o. Does the proposed action have the potential to produce odors for more than one hour per day? ☐ Yes ☑ No

If Yes, describe possible sources, potential frequency and duration of odor emissions, and proximity to nearest occupied structures: ______

p. Will the proposed action include any bulk storage of petroleum (combined capacity of over 1,100 gallons) or chemical products 185 gallons in above ground storage or any amount in underground storage? ☐ Yes ☑ No

If Yes:

i. Product(s) to be stored ______

ii. Volume(s) ______ per unit time ______ (e.g., month, year)

iii. Generally, describe the proposed storage facilities: ______

q. Will the proposed action (commercial, industrial and recreational projects only) use pesticides (i.e., herbicides, insecticides) during construction or operation? ☐ Yes ☑ No

If Yes:

i. Describe proposed treatment(s):

______

ii. Will the proposed action use Integrated Pest Management Practices? ☐ Yes ☐ No

r. Will the proposed action (commercial or industrial projects only) involve or require the management or disposal of solid waste (excluding hazardous materials)? ☑ Yes ☐ No

If Yes:

i. Describe any solid waste(s) to be generated during construction or operation of the facility:

- Construction: 880 tons per total (unit of time)
- Operation : 2.81 tons per week (unit of time)

ii. Describe any proposals for on-site minimization, recycling or reuse of materials to avoid disposal as solid waste:

- Construction: Not applicable - construction debris will be appropriately discarded.
- Operation: Proposed facilities will implement best sustainable practices for overnight accommodations.

iii. Proposed disposal methods/facilities for solid waste generated on-site:

- Construction: Construction debris will be appropriately discarded.
- Operation: Town of Highlands collects recyclables and waste.

s. Does the proposed action include construction or modification of a solid waste management facility? ☐ Yes ☑ No
If Yes:
i. Type of management or handling of waste proposed for the site (e.g., recycling or transfer station, composting, landfill, or other disposal activities): ____________
ii. Anticipated rate of disposal/processing:
- ________ Tons/month, if transfer or other non-combustion/thermal treatment, or
- ________ Tons/hour, if combustion or thermal treatment

iii. If landfill, anticipated site life: ____________ years

t. Will the proposed action at the site involve the commercial generation, treatment, storage, or disposal of hazardous waste? ☐ Yes ☑ No
If Yes:
i. Name(s) of all hazardous wastes or constituents to be generated, handled or managed at facility: ____________
ii. Generally describe processes or activities involving hazardous wastes or constituents: ____________
iii. Specify amount to be handled or generated _____ tons/month
iv. Describe any proposals for on-site minimization, recycling or reuse of hazardous constituents: ____________
v. Will any hazardous wastes be disposed at an existing offsite hazardous waste facility? ☐ Yes ☐ No
If Yes: provide name and location of facility: ____________
If No: describe proposed management of any hazardous wastes which will not be sent to a hazardous waste facility: ____________

E. Site and Setting of Proposed Action

E.1. Land uses on and surrounding the project site

a. Existing land uses.
i. Check all uses that occur on, adjoining and near the project site.
☑ Urban ☐ Industrial ☐ Commercial ☑ Residential (suburban) ☐ Rural (non-farm)
☐ Forest ☐ Agriculture ☐ Aquatic ☐ Other (specify): ____________
ii. If mix of uses, generally describe:
____

b. Land uses and covertypes on the project site.

Land use or Covertype	Current Acreage	Acreage After Project Completion	Change (Acres +/-)
• Roads, buildings, and other paved or impervious surfaces	0.58	0.62	+.04
• Forested	0	0	0
• Meadows, grasslands or brushlands (non-agricultural, including abandoned agricultural)	0	0	0
• Agricultural (includes active orchards, field, greenhouse etc.)	0	0	0
• Surface water features (lakes, ponds, streams, rivers, etc.)	0	0	0
• Wetlands (freshwater or tidal)	0	0	0
• Non-vegetated (bare rock, earth or fill)	0	0	0
• Other Describe: Lawn and Landscaped	.09	.05	-.04

c. Is the project site presently used by members of the community for public recreation? *i.* If Yes: explain: ______	☐ Yes ☑ No
d. Are there any facilities serving children, the elderly, people with disabilities (e.g., schools, hospitals, licensed day care centers, or group homes) within 1500 feet of the project site? If Yes, *i.* Identify Facilities: ______	☐ Yes ☑ No
e. Does the project site contain an existing dam? If Yes: *i.* Dimensions of the dam and impoundment: • Dam height: ______ feet • Dam length: ______ feet • Surface area: ______ acres • Volume impounded: ______ gallons OR acre-feet *ii.* Dam's existing hazard classification: ______ *iii.* Provide date and summarize results of last inspection: ______	☐ Yes ☑ No
f. Has the project site ever been used as a municipal, commercial or industrial solid waste management facility, or does the project site adjoin property which is now, or was at one time, used as a solid waste management facility? If Yes: *i.* Has the facility been formally closed? ☐ Yes ☐ No • If yes, cite sources/documentation: ______ *ii.* Describe the location of the project site relative to the boundaries of the solid waste management facility: ______ *iii.* Describe any development constraints due to the prior solid waste activities: ______	☐ Yes ☑ No
g. Have hazardous wastes been generated, treated and/or disposed of at the site, or does the project site adjoin property which is now or was at one time used to commercially treat, store and/or dispose of hazardous waste? If Yes: *i.* Describe waste(s) handled and waste management activities, including approximate time when activities occurred: ______	☐ Yes ☑ No
h. Potential contamination history. Has there been a reported spill at the proposed project site, or have any remedial actions been conducted at or adjacent to the proposed site? If Yes: *i.* Is any portion of the site listed on the NYSDEC Spills Incidents database or Environmental Site Remediation database? Check all that apply: ☐ Yes ☐ No ☐ Yes – Spills Incidents database Provide DEC ID number(s): ______ ☐ Yes – Environmental Site Remediation database Provide DEC ID number(s): ______ ☐ Neither database *ii.* If site has been subject of RCRA corrective activities, describe control measures: ______ *iii.* Is the project within 2000 feet of any site in the NYSDEC Environmental Site Remediation database? ☑ Yes ☐ No If yes, provide DEC ID number(s): 336041, 546031 *iv.* If yes to (i), (ii) or (iii) above, describe current status of site(s): ______	☐ Yes ☑ No

v. Is the project site subject to an institutional control limiting property uses? ☐ Yes ☐ No

- If yes, DEC site ID number: ______
- Describe the type of institutional control (e.g., deed restriction or easement): ______
- Describe any use limitations: ______
- Describe any engineering controls: ______
- Will the project affect the institutional or engineering controls in place? ☐ Yes ☐ No
- Explain: ______

E.2. Natural Resources On or Near Project Site

a. What is the average depth to bedrock on the project site? >5 feet

b. Are there bedrock outcroppings on the project site? ☐ Yes ☑ No
If Yes, what proportion of the site is comprised of bedrock outcroppings? ______%

c. Predominant soil type(s) present on project site: Swartswood gravelly loam - SwB 100 %
______ ______%
______ ______%

d. What is the average depth to the water table on the project site? Average: 2-3 feet

e. Drainage status of project site soils:
☐ Well Drained: ______% of site
☑ Moderately Well Drained: 100 % of site
☐ Poorly Drained ______% of site

f. Approximate proportion of proposed action site with slopes:
☑ 0-10%: 100 % of site
☐ 10-15%: ______% of site
☐ 15% or greater: ______% of site

g. Are there any unique geologic features on the project site? ☐ Yes ☑ No
If Yes, describe: ______

h. Surface water features.

i. Does any portion of the project site contain wetlands or other waterbodies (including streams, rivers, ponds or lakes)? ☐ Yes ☑ No

ii. Do any wetlands or other waterbodies adjoin the project site? ☑ Yes ☐ No

Answer autofilled by DEC EAF Mapper. No known waterbodies on or adjacent to site.

If Yes to either *i* or *ii*, continue. If No, skip to E.2.i.

iii. Are any of the wetlands or waterbodies within or adjoining the project site regulated by any federal, state or local agency? ☑ Yes ☐ No

iv. For each identified regulated wetland and waterbody on the project site, provide the following information:

- Streams: Name ______ Classification ______
- Lakes or Ponds: Name ______ Classification ______
- Wetlands: Name ______ Approximate Size ______
- Wetland No. (if regulated by DEC) ______

v. Are any of the above water bodies listed in the most recent compilation of NYS water quality-impaired waterbodies? ☐ Yes ☑ No

If yes, name of impaired water body/bodies and basis for listing as impaired: ______

i. Is the project site in a designated Floodway? ☐ Yes ☑ No

j. Is the project site in the 100-year Floodplain? ☐ Yes ☑ No

k. Is the project site in the 500-year Floodplain? ☐ Yes ☑ No

l. Is the project site located over, or immediately adjoining, a primary, principal or sole source aquifer? ☐ Yes ☑ No
If Yes:
i. Name of aquifer: ______

m. Identify the predominant wildlife species that occupy or use the project site:

Mice, squirrels, common songbirds

n. Does the project site contain a designated significant natural community? ☑ Yes ☐ No

If Yes:

i. Describe the habitat/community (composition, function, and basis for designation):

Chestnut Oak Forest

ii. Source(s) of description or evaluation: DEC Mapper - This area exists off the project site, but in the area subject to zoning amendment.

iii. Extent of community/habitat:

- Currently: 9906.06 acres
- Following completion of project as proposed: 9906.06 acres
- Gain or loss (indicate + or -): 0 acres

o. Does project site contain any species of plant or animal that is listed by the federal government or NYS as endangered or threatened, or does it contain any areas identified as habitat for an endangered or threatened species? ☑ Yes ☐ No

If Yes:

i. Species and listing (endangered or threatened):

Northern Long-eared Bat, Atlantic Sturgeon, Shortnose Sturgeon

p. Does the project site contain any species of plant or animal that is listed by NYS as rare, or as a species of special concern? ☐ Yes ☑ No

If Yes:

i. Species and listing:

q. Is the project site or adjoining area currently used for hunting, trapping, fishing or shell fishing? ☐ Yes ☑ No

If yes, give a brief description of how the proposed action may affect that use:

E.3. Designated Public Resources On or Near Project Site

a. Is the project site, or any portion of it, located in a designated agricultural district certified pursuant to Agriculture and Markets Law, Article 25-AA, Section 303 and 304? ☐ Yes ☑ No

If Yes, provide county plus district name/number:

b. Are agricultural lands consisting of highly productive soils present? ☐ Yes ☑ No

i. If Yes: acreage(s) on project site?

ii. Source(s) of soil rating(s):

c. Does the project site contain all or part of, or is it substantially contiguous to, a registered National Natural Landmark? ☐ Yes ☑ No

If Yes:

i. Nature of the natural landmark: ☐ Biological Community ☐ Geological Feature

ii. Provide brief description of landmark, including values behind designation and approximate size/extent:

d. Is the project site located in or does it adjoin a state listed Critical Environmental Area? ☐ Yes ☑ No

If Yes:

i. CEA name:

ii. Basis for designation:

iii. Designating agency and date:

e. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places? ☑ Yes ☐ No

If Yes:

Church of the Holy Innocents and Rectory, Highland Falls Railroad Depot, House at 116 Main Street, U.S. Military Academy

i. Nature of historic/archaeological resource: ☐ Archaeological Site ☑ Historic Building or District

ii. Name: Church of the Holy Innocents and Rectory, Highland Falls Railroad Depot, House at 116 Main Street, U.S. Military Academy

iii. Brief description of attributes on which listing is based:

f. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory? ☑ Yes ☐ No

g. Have additional archaeological or historic site(s) or resources been identified on the project site? ☐ Yes ☑ No

If Yes:

i. Describe possible resource(s):

ii. Basis for identification:

h. Is the project site within fives miles of any officially designated and publicly accessible federal, state, or local scenic or aesthetic resource? ☑ Yes ☐ No

If Yes:

Harriman State Park; West Point Military Academy; Hudson River Natural Heritage Area

i. Identify resource: Harriman State Park; West Point Military Academy; Hudson River Natural Heritage Area

ii. Nature of, or basis for, designation (e.g., established highway overlook, state or local park, state historic trail or scenic byway, etc.): State park, river valley overlooks, grounds and buildings of military academy

State park, river valley overlooks, grounds and buildings of military academy

iii. Distance between project and resource: <1 miles.

i. Is the project site located within a designated river corridor under the Wild, Scenic and Recreational Rivers Program 6 NYCRR 666? ☐ Yes ☑ No

If Yes:

i. Identify the name of the river and its designation:

ii. Is the activity consistent with development restrictions contained in 6NYCRR Part 666? ☐ Yes ☐ No

F. Additional Information

Attach any additional information which may be needed to clarify your project.

If you have identified any adverse impacts which could be associated with your proposal, please describe those impacts plus any measures which you propose to avoid or minimize them.

G. Verification

I certify that the information provided is true to the best of my knowledge.

Applicant/Sponsor Name Maximilian Stach, AICP Maximilian Stach, AICP

Date May 28, 2019 May 28, 2019

Signature

Title Planner Planner

PRINT FORM

PRINT FORM

Disclaimer: The EAF Mapper is a screening tool intended to assist project sponsors and reviewing agencies in preparing an environmental assessment form (EAF). Not all questions asked in the EAF are answered by the EAF Mapper. Additional information on any EAF question can be obtained by consulting the EAF Workbooks. Although the EAF Mapper provides the most up-to-date digital data available to DEC, you may also need to contact local or other data sources in order to obtain data not provided by the Mapper. Digital data is not a substitute for agency determinations.

B.i.i [Coastal or Waterfront Area]	Yes
B.i.ii [Local Waterfront Revitalization Area]	No
C.2.b. [Special Planning District]	Digital mapping data are not available or are incomplete. Refer to EAF Workbook.
E.1.h [DEC Spills or Remediation Site - Potential Contamination History]	Digital mapping data are not available or are incomplete. Refer to EAF Workbook.
E.1.h.i [DEC Spills or Remediation Site - Listed]	Digital mapping data are not available or are incomplete. Refer to EAF Workbook.
E.1.h.i [DEC Spills or Remediation Site - Environmental Site Remediation Database]	Digital mapping data are not available or are incomplete. Refer to EAF Workbook.
E.1.h.iii [Within 2,000' of DEC Remediation Site]	Yes
E.1.h.iii [Within 2,000' of DEC Remediation Site - DEC ID]	336041, 546031
E.2.g [Unique Geologic Features]	No
E.2.h.i [Surface Water Features]	No
E.2.h.ii [Surface Water Features]	Yes
E.2.h.iii [Surface Water Features]	Yes - Digital mapping information on local and federal wetlands and waterbodies is known to be incomplete. Refer to EAF Workbook.
E.2.h.v [Impaired Water Bodies]	No
E.2.i. [Floodway]	No
E.2.j. [100 Year Floodplain]	No
E.2.k. [500 Year Floodplain]	No
E.2.l. [Aquifers]	No
E.2.n. [Natural Communities]	Yes
E.2.n.i [Natural Communities - Name]	Chestnut Oak Forest

E.2.n.i [Natural Communities - Acres]	9906.06
E.2.o. [Endangered or Threatened Species]	Yes
E.2.o. [Endangered or Threatened Species - Name]	Northern Long-eared Bat, Atlantic Sturgeon, Shortnose Sturgeon
E.2.p. [Rare Plants or Animals]	No
E.3.a. [Agricultural District]	No
E.3.c. [National Natural Landmark]	No
E.3.d [Critical Environmental Area]	No
E.3.e. [National or State Register of Historic Places or State Eligible Sites]	Yes - Digital mapping data for archaeological site boundaries are not available. Refer to EAF Workbook.
E.3.e.ii [National or State Register of Historic Places or State Eligible Sites - Name]	Church of the Holy Innocents and Rectory, Highland Falls Railroad Depot, House at 116 Main Street, U.S. Military Academy
E.3.f. [Archeological Sites]	Yes
E.3.i. [Designated River Corridor]	No

Section I Application Information Item P

Attached is the 4 year stabilization income analysis for South Gate Flats that was done by HVS as part of the market study and feasibility analysis. Post debt cash flow in the first four years of operation are estimated to be a loss in year one and an almost break even in year two.

Figure 8-11 demonstrates the value of the project at completion to be $62,000,000 however our development cost of the project is $68,000,000 as show in 8-10. Figure 8-7 also shows the terminal value of the project after 10 years to only be a net of $77,128,940.

Thus the project does not make financial sense to develop without the assistance of a resolution from Orange County IDA.

FIGURE 7-8 DETAILED FORECAST OF INCOME AND EXPENSE

	2024/25	Begins November			2025/26				Stabilized				2027/28				2028/29			
Number of Rooms:	100				100				100				100				100			
Occupancy:	46%				49%				50%				50%				50%			
Average Rate:	$317.29				$335.19				$345.25				$355.61				$366.27			
RevPAR:	$145.96				$164.24				$172.62				$177.80				$183.14			
Days Open:	365				365				365				365				365			
Occupied Rooms:	16,790	%Gross	PAR	POR	17,885	%Gross	PAR	POR	18,250	%Gross	PAR	POR	18,250	%Gross	PAR	POR	18,250	%Gross	PAR	POR
OPERATING REVENUE																				
Rooms	$5,327	47.5 %	$53,270	$317.27	$5,995	46.9 %	$59,950	$335.20	$6,301	45.9 %	$63,010	$345.26	$6,490	45.6 %	$64,900	$355.62	$6,684	45.4 %	$66,840	$366.25
Food	3,179	28.3	31,792	189.35	3,506	27.5	35,062	196.04	3,793	27.7	37,931	207.84	3,907	27.4	39,068	214.07	4,024	27.3	40,241	220.50
Beverage	921	8.2	9,208	54.84	1,134	8.9	11,337	63.39	1,210	8.8	12,097	66.28	1,246	8.7	12,460	68.27	1,283	8.7	12,834	70.32
Other Operated Departments	232	2.1	2,316	13.80	282	2.2	2,821	15.77	301	2.2	3,009	16.49	310	2.2	3,099	16.98	319	2.2	3,192	17.49
Spa & Wellness	1,539	13.7	15,391	91.67	1,829	14.3	18,288	102.25	2,086	15.2	20,858	114.29	2,264	15.9	22,645	124.08	2,392	16.2	23,922	131.08
Miscellaneous Income	21	0.2	208	1.24	25	0.2	254	1.42	27	0.2	271	1.48	28	0.2	279	1.53	29	0.2	287	1.57
Total Operating Revenues	11,219	100.0	112,186	668.17	12,771	100.0	127,711	714.07	13,717	100.0	137,175	751.64	14,245	100.0	142,451	780.55	14,732	100.0	147,316	807.21
DEPARTMENTAL EXPENSES *																				
Rooms	876	16.4	8,759	52.17	934	15.6	9,339	52.22	995	15.8	9,946	54.50	1,024	15.8	10,245	56.14	1,055	15.8	10,552	57.82
Food & Beverage	2,310	56.4	23,104	137.60	3,072	66.2	30,724	171.78	3,247	64.9	32,473	177.94	3,345	64.9	33,447	183.27	3,445	64.9	34,451	188.77
Other Operated Departments	19	8.1	188	1.12	29	10.2	286	1.60	30	9.9	299	1.64	31	9.9	308	1.69	32	9.9	317	1.74
Spa & Wellness	1,070	69.5	10,697	63.71	1,262	69.0	12,618	70.55	1,429	68.5	14,288	78.29	1,540	68.0	15,399	84.38	1,627	68.0	16,267	89.14
Total Expenses	4,275	38.1	42,747	254.60	5,297	41.5	52,968	296.16	5,701	41.6	57,006	312.36	5,940	41.7	59,398	325.47	6,159	41.8	61,587	337.46
DEPARTMENTAL INCOME	6,944	61.9	69,439	413.57	7,474	58.5	74,743	417.91	8,017	58.4	80,169	439.28	8,305	58.3	83,053	455.08	8,573	58.2	85,729	469.75
UNDISTRIBUTED OPERATING EXPENSES																				
Administrative & General	416	3.7	4,161	24.79	456	3.6	4,560	25.49	493	3.6	4,932	27.02	512	3.6	5,118	28.04	529	3.6	5,290	28.99
Info & Telecom Systems	0	0.0	0	0.00	0	0.0	0	0.00	0	0.0	0	0.00	0	0.0	0	0.00	0	0.0	0	0.00
Marketing	354	3.2	3,539	21.08	381	3.0	3,809	21.30	406	3.0	4,064	22.27	421	3.0	4,209	23.06	435	3.0	4,347	23.82
Prop. Operations & Maint.	179	1.6	1,786	10.64	236	1.8	2,359	13.19	252	1.8	2,523	13.83	261	1.8	2,614	14.32	270	1.8	2,700	14.80
Utilities	253	2.3	2,528	15.06	270	2.1	2,697	15.08	286	2.1	2,859	15.66	296	2.1	2,957	16.20	305	2.1	3,053	16.73
Total Expenses	1,201	10.8	12,014	71.56	1,342	10.5	13,424	75.06	1,438	10.5	14,378	78.78	1,490	10.5	14,898	81.63	1,539	10.5	15,390	84.33
GROSS OPERATING PROFIT	5,742	51.1	57,424	342.01	6,132	48.0	61,318	342.85	6,579	47.9	65,791	360.50	6,815	47.8	68,155	373.45	7,034	47.7	70,338	385.42
Management Fee	337	3.0	3,366	20.05	383	3.0	3,831	21.42	412	3.0	4,115	22.55	427	3.0	4,274	23.42	442	3.0	4,419	24.22
INCOME BEFORE NON-OPR. INC. & EXP.	5,406	48.1	54,059	321.97	5,749	45.0	57,487	321.43	6,168	44.9	61,675	337.95	6,388	44.8	63,881	350.03	6,592	44.7	65,919	361.20
NON-OPERATING INCOME & EXPENSE																				
Property Taxes	528	4.7	5,284	31.47	717	5.6	7,166	40.07	738	5.4	7,381	40.44	760	5.3	7,602	41.66	783	5.3	7,830	42.91
Insurance	86	0.8	860	5.12	89	0.7	886	4.96	91	0.7	913	5.00	94	0.7	940	5.15	97	0.7	968	5.31
Leased Space Income	(144)	(1.3)	(1,440)	(8.58)	(148)	(1.2)	(1,483)	(8.29)	(153)	(1.1)	(1,528)	(8.37)	(157)	(1.1)	(1,574)	(8.62)	(162)	(1.1)	(1,621)	(8.88)
Reserve for Replacement	224	2.0	2,244	13.36	383	3.0	3,831	21.42	549	4.0	5,487	30.07	570	4.0	5,698	31.22	589	4.0	5,893	32.29
Total Expenses	695	6.2	6,948	41.38	1,040	8.1	10,400	58.15	1,225	9.0	12,253	67.14	1,267	8.9	12,667	69.41	1,307	8.9	13,071	71.62
EBITDA LESS RESERVE	$4,711	41.9 %	$47,111	$280.59	$4,709	36.9 %	$47,087	$263.28	$4,942	35.9 %	$49,422	$270.81	$5,121	35.9 %	$51,214	$280.62	$5,285	35.8 %	$52,848	$289.58

*Departmental expenses are expressed as a percentage of departmental revenues.

FIGURE 7-9 TEN-YEAR FORECAST OF INCOME AND EXPENSE

	2024/25		2025/26		2026/27		2027/28		2028/29	
Number of Rooms:	100		100		100		100		100	
Occupied Rooms:	16,790		17,885		18,250		18,250		18,250	
Occupancy:	46%		49%		50%		50%		50%	
Average Rate:	$317.29	% of	$335.19	% of	$345.25	% of	$355.61	% of	$366.27	% of
RevPAR:	$145.96	Gross	$164.24	Gross	$172.62	Gross	$177.80	Gross	$183.14	Gross
OPERATING REVENUE										
Rooms	$5,327	47.5 %	$5,995	46.9 %	$6,301	45.9 %	$6,490	45.6 %	$6,684	45.4 %
Food	3,179	28.3	3,506	27.5	3,793	27.7	3,907	27.4	4,024	27.3
Beverage	921	8.2	1,134	8.9	1,210	8.8	1,246	8.7	1,283	8.7
Other Operated Departments	232	2.1	282	2.2	301	2.2	310	2.2	319	2.2
Spa & Wellness	1,539	13.7	1,829	14.3	2,086	15.2	2,264	15.9	2,392	16.2
Miscellaneous Income	21	0.2	25	0.2	27	0.2	28	0.2	29	0.2
Total Operating Revenues	11,219	100.0	12,771	100.0	13,717	100.0	14,245	100.0	14,732	100.0
DEPARTMENTAL EXPENSES *										
Rooms	876	16.4	934	15.6	995	15.8	1,024	15.8	1,055	15.8
Food & Beverage	2,310	56.4	3,072	66.2	3,247	64.9	3,345	64.9	3,445	64.9
Other Operated Departments	19	8.1	29	10.2	30	9.9	31	9.9	32	9.9
Spa & Wellness	1,070	69.5	1,262	69.0	1,429	68.5	1,540	68.0	1,627	68.0
Total Expenses	4,275	38.1	5,297	41.5	5,701	41.6	5,940	41.7	6,159	41.8
DEPARTMENTAL INCOME	6,944	61.9	7,474	58.5	8,017	58.4	8,305	58.3	8,573	58.2
UNDISTRIBUTED OPERATING EXPENSES										
Administrative & General	416	3.7	456	3.6	493	3.6	512	3.6	529	3.6
Info & Telecom Systems	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Marketing	354	3.2	381	3.0	406	3.0	421	3.0	435	3.0
Prop. Operations & Maint.	179	1.6	236	1.8	252	1.8	261	1.8	270	1.8
Utilities	253	2.3	270	2.1	286	2.1	296	2.1	305	2.1
Total Expenses	1,201	10.8	1,342	10.5	1,438	10.5	1,490	10.5	1,539	10.5
GROSS OPERATING PROFIT	5,742	51.1	6,132	48.0	6,579	47.9	6,815	47.8	7,034	47.7
Management Fee	337	3.0	383	3.0	412	3.0	427	3.0	442	3.0
INCOME BEFORE NON-OPR. INC. & EXP.	5,406	48.1	5,749	45.0	6,168	44.9	6,388	44.8	6,592	44.7
NON-OPERATING INCOME & EXPENSE										
Property Taxes	528	4.7	717	5.6	738	5.4	760	5.3	783	5.3
Insurance	86	0.8	89	0.7	91	0.7	94	0.7	97	0.7
Leased Space Income	(144)	(1.3)	(148)	(1.2)	(153)	(1.1)	(157)	(1.1)	(162)	(1.1)
Reserve for Replacement	224	2.0	383	3.0	549	4.0	570	4.0	589	4.0
Total Expenses	695	6.2	1,040	8.1	1,225	9.0	1,267	8.9	1,307	8.9
EBITDA LESS RESERVE	$4,711	41.9 %	$4,709	36.9 %	$4,942	35.9 %	$5,121	35.9 %	$5,285	35.8 %

	2029/30		2030/31		2031/32		2032/33		2033/34	
Number of Rooms:	100		100		100		100		100	
Occupied Rooms:	18,250		18,250		18,250		18,250		18,250	
Occupancy:	50%		50%		50%		50%		50%	
Average Rate:	$377.26	% of	$388.58	% of	$400.24	% of	$412.24	% of	$424.61	% of
RevPAR:	$188.63	Gross	$194.29	Gross	$200.12	Gross	$206.12	Gross	$212.31	Gross
OPERATING REVENUE										
Rooms	$6,885	45.4 %	$7,092	45.6 %	$7,304	45.6 %	$7,523	45.6 %	$7,749	45.6 %
Food	4,145	27.3	4,269	27.4	4,397	27.4	4,529	27.4	4,665	27.4
Beverage	1,322	8.7	1,362	8.8	1,402	8.8	1,444	8.8	1,488	8.8
Other Operated Departments	329	2.2	339	2.2	349	2.2	359	2.2	370	2.2
Spa & Wellness	2,464	16.2	2,464	15.8	2,538	15.8	2,614	15.8	2,692	15.8
Miscellaneous Income	30	0.2	30	0.2	31	0.2	32	0.2	33	0.2
Total Operating Revenues	15,174	100.0	15,556	100.0	16,022	100.0	16,502	100.0	16,998	100.0
DEPARTMENTAL EXPENSES *										
Rooms	1,087	15.8	1,119	15.8	1,153	15.8	1,188	15.8	1,223	15.8
Food & Beverage	3,548	64.9	3,655	64.9	3,765	64.9	3,877	64.9	3,994	64.9
Other Operated Departments	33	9.9	34	9.9	35	9.9	36	9.9	37	9.9
Spa & Wellness	1,676	68.0	1,676	68.0	1,726	68.0	1,778	68.0	1,831	68.0
Total Expenses	6,343	41.8	6,483	41.7	6,678	41.7	6,878	41.7	7,085	41.7
DEPARTMENTAL INCOME	8,831	58.2	9,072	58.3	9,344	58.3	9,624	58.3	9,913	58.3
UNDISTRIBUTED OPERATING EXPENSES										
Administrative & General	545	3.6	559	3.6	576	3.6	593	3.6	611	3.6
Info & Telecom Systems	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Marketing	448	3.0	460	3.0	474	3.0	488	3.0	502	3.0
Prop. Operations & Maint.	278	1.8	286	1.8	294	1.8	303	1.8	312	1.8
Utilities	314	2.1	323	2.1	333	2.1	343	2.1	353	2.1
Total Expenses	1,585	10.5	1,627	10.5	1,676	10.5	1,726	10.5	1,778	10.5
GROSS OPERATING PROFIT	7,245	47.7	7,445	47.8	7,668	47.8	7,898	47.8	8,135	47.8
Management Fee	455	3.0	467	3.0	481	3.0	495	3.0	510	3.0
INCOME BEFORE NON-OPR. INC. & EXP.	6,790	44.7	6,978	44.8	7,187	44.8	7,402	44.8	7,625	44.8
NON-OPERATING INCOME & EXPENSE										
Property Taxes	807	5.3	831	5.3	856	5.3	881	5.3	908	5.3
Insurance	100	0.7	103	0.7	106	0.7	109	0.7	112	0.7
Leased Space Income	(167)	(1.1)	(172)	(1.1)	(177)	(1.1)	(182)	(1.1)	(188)	(1.1)
Reserve for Replacement	607	4.0	622	4.0	641	4.0	660	4.0	680	4.0
Total Expenses	1,346	8.9	1,384	8.9	1,425	8.9	1,468	8.9	1,512	8.9
EBITDA LESS RESERVE	$5,444	35.8 %	$5,595	35.9 %	$5,762	35.9 %	$5,934	35.9 %	$6,113	35.9 %

8. Feasibility Chapter

The feasibility of the subject project hinges upon the net value added by the planned improvements. If the value added by the project results in a return that is in excess of the project's all-in cost, then the project is deemed feasible. This process incorporates the following steps:

1. A present value indication is developed for the property in its "when complete" state, assuming the planned improvements have been made to the site. This is performed by taking the cash-flow projections developed in the previous chapter and using discounted cash flow (DCF) techniques to form a present value estimate.

2. The all-in cost for the project is stated and reviewed to serve as the benchmark for feasibility.

3. The cost is then deducted from the present value added by the improvements. If the net result is a positive number, the project is feasible and there is an adequate return on investment. If the net result is a negative number, the project is not feasible at the market return rates used in the analysis.

The first step is to provide an indication of the present value of the proposed subject hotel in its completed state, assuming all previously discussed future improvements have been made to the site. This benchmark is best achieved by a utilizing a DCF approach, which appropriately considers all changes in income over the first ten years of operation.

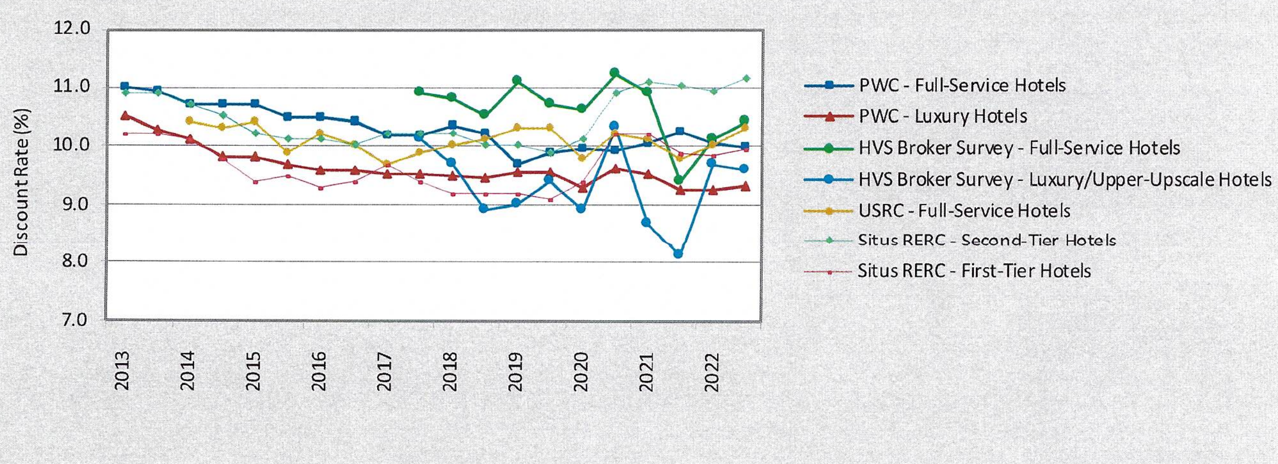
The DCF analysis applies a discount factor to forecast revenues over a ten-year period, inclusive of a reversion of the hotel at the end of the holding period. To assist in positioning the discount rate and terminal capitalization rate, we have reviewed several recent investor surveys, including the *PWC Real Estate Investor Survey, HVS Broker Survey, Situs RERC Real Estate Report,* and *USRC Hotel Investment Survey*. The following table summarizes the range of discount rates and exit capitalization rates, as well as overall capitalization rates, indicated by the investor surveys for hotels similar in class to the proposed subject hotel. The averages for each survey are listed directly underneath the ranges.

FIGURE 8-1 RESULTS OF RECENT INVESTMENT SURVEYS – DISCOUNT RATES, HOTELS

Source	Pre-COVID		Current	
	Data Point Range	Average	Data Point Range	Average
HVS Brokers Survey	*Fall 2019 Survey*		*Fall 2022 Survey*	
Luxury & Upper Upscale Hotels	7.0% - 12.0%	8.9%	8.0% - 11.0%	9.6%
Full-Service Hotels	8.0% - 15.0%	10.6%	8.5% - 12.5%	10.4%
PWC Real Estate Investor Survey	*1st Quarter 2020 Survey*		*3rd Quarter 2022 Survey*	
Luxury Hotels	6.25% - 12.0%	9.3%	6.0% - 11.0%	9.3%
Full-Service Hotels	8.5% - 11.0%	10.0%	8.0% - 12.0%	10.0%
USRC Hotel Investment Survey	*Winter 2020 Survey*		*Mid-Year 2022 Survey*	
Full-Service Hotels	7.0% - 10.5%	9.8%	9.5% - 11.5%	10.3%
Situs RERC Real Estate Report	*1st Quarter 2020 Report*		*3rd Quarter 2022 Report*	
Second Tier Hotels	6.5% - 13.5%	10.1%	9.3% - 14.3%	11.2%
First Tier Hotels	8.0% - 11.0%	9.4%	7.5% - 12.0%	10.0%

The following chart summarizes the averages presented for discount rates in various investor surveys during the past decade.

FIGURE 8-2 HISTORICAL TREND OF HOTEL DISCOUNT RATES



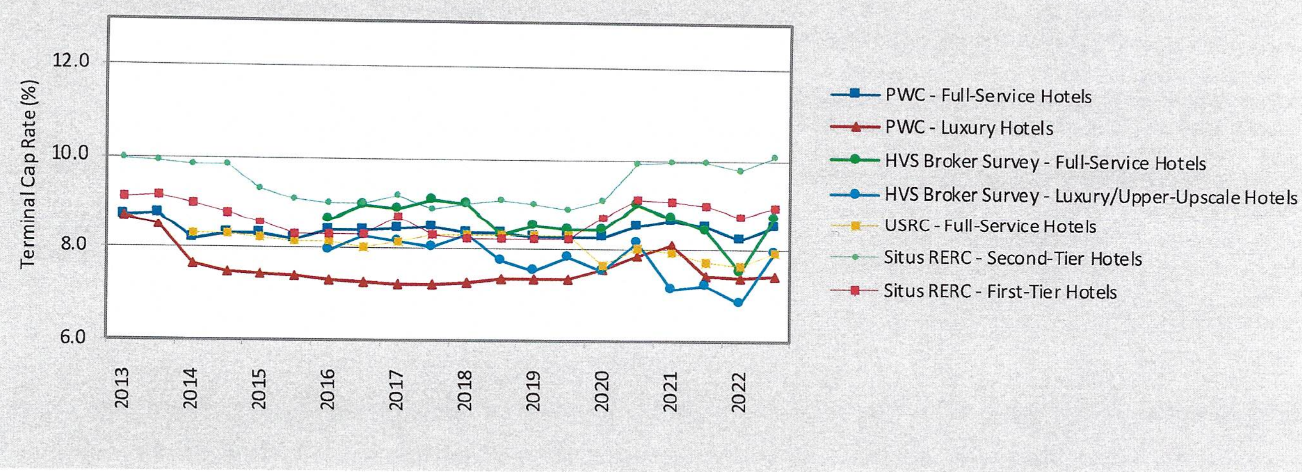
We have selected a discount rate of 10.50% for our analysis.

FIGURE 8-3 RESULTS OF RECENT INVESTMENT SURVEYS – EXIT CAPITALIZATION RATES, HOTELS

Source	Pre-COVID Data Point Range	Pre-COVID Average	Current Data Point Range	Current Average
HVS Brokers Survey	*Fall 2019 Survey*		*Fall 2022 Survey*	
Luxury & Upper Upscale Hotels	5.5% - 10.0%	7.5%	6.0% - 11.0%	7.9%
Full-Service Hotels	7.5% - 10.0%	8.4%	7.0% - 11.0%	8.7%
PWC Real Estate Investor Survey	*1st Quarter 2020 Survey*		*3rd Quarter 2022 Survey*	
Luxury Hotels	5.5% - 9.5%	7.5%	6.0% - 11.0%	7.4%
Full-Service Hotels	7.0% - 10.0%	8.3%	8.0% - 12.0%	8.5%
USRC Hotel Investment Survey	*Winter 2020 Survey*		*Mid-Year 2022 Survey*	
Full-Service Hotels	5.5% - 8.5%	7.6%	7.0% - 10.5%	7.9%
Situs RERC Real Estate Report	*1st Quarter 2020 Report*		*3rd Quarter 2022 Report*	
Second Tier Hotels	7.3% - 11.5%	9.1%	7.3% - 13.5%	10.1%
First Tier Hotels	6.8% - 9.5%	8.7%	7.5% - 10.5%	9.0%

The following chart summarizes the averages presented for exit capitalization rates in various investor surveys during the past decade.

FIGURE 8-4 HISTORICAL TREND OF HOTEL EXIT CAPITALIZATION RATES

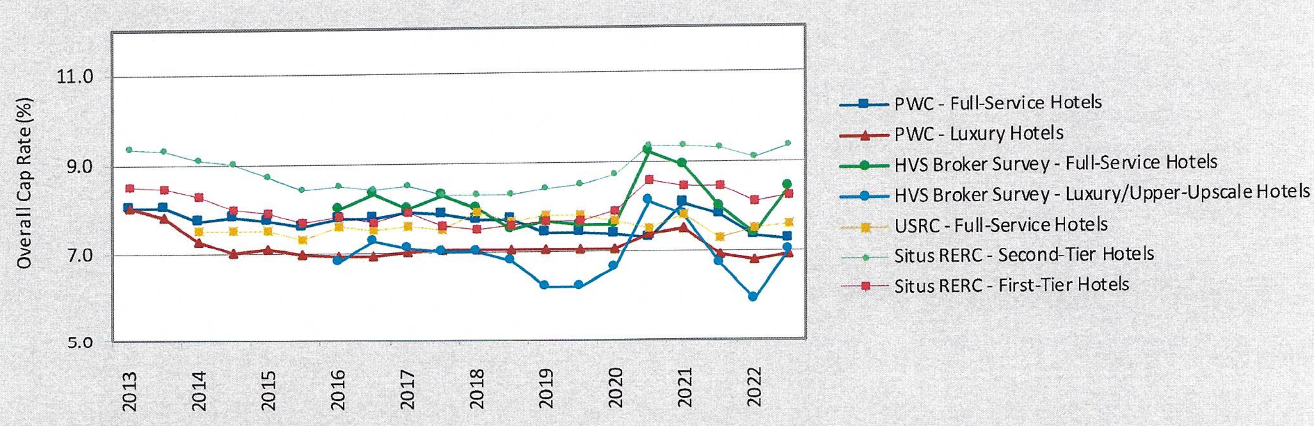


For purposes of this analysis, we have applied a terminal capitalization rate of 8.00%.

FIGURE 8-5 RESULTS OF RECENT INVESTMENT SURVEYS – OVERALL CAPITALIZATION RATES, HOTELS

	Pre-COVID		Current	
Source	**Data Point Range**	**Average**	**Data Point Range**	**Average**
HVS Brokers Survey	*Fall 2019 Survey*		*Fall 2022 Survey*	
Luxury & Upper Upscale Hotels	3.0% - 7.5%	6.6%	5.0% - 8.5%	7.0%
Full-Service Hotels	5.5% - 9.5%	7.6%	6.5% - 12.0%	8.4%
PWC Real Estate Investor Survey	*1st Quarter 2020 Survey*		*3rd Quarter 2022 Survey*	
Luxury Hotels	4.0% - 9.5%	7.1%	4.0% - 9.5%	6.9%
Full-Service Hotels	6.0% - 9.0%	7.4%	5.0% - 9.0%	7.3%
USRC Hotel Investment Survey	*Winter 2020 Survey*		*Mid-Year 2022 Survey*	
Full-Service Hotels	5.0% - 8.5%	7.7%	7.0% - 8.5%	7.6%
Situs RERC Real Estate Report	*1st Quarter 2020 Report*		*3rd Quarter 2022 Report*	
Second Tier Hotels	6.0% - 11.5%	8.7%	6.8% - 12.5%	9.4%
First Tier Hotels	5.5% - 11.5%	7.9%	6.0% - 9.5%	8.3%

FIGURE 8-6 HISTORICAL TREND OF HOTEL OVERALL CAPITALIZATION RATES



Based on our review of the survey data, as well as our review of recent sales, recent conversations with hotel investors and brokers, and our industry knowledge and expertise, we have positioned a discount rate and terminal capitalization rate that are most appropriate for the proposed subject hotel. These selected rates were utilized in our DCF analysis, which is presented in the following table.

FIGURE 8-7 DISCOUNTED CASH FLOW ANALYSIS

Year	EBITDA Less Reserve		Discount Factor @ 10.50%	Discounted Cash Flow
2024/25	$4,711,000		0.90498	$4,263,000
2025/26	4,709,000		0.81898	3,856,000
2026/27	4,942,000		0.74116	3,663,000
2027/28	5,121,000		0.67073	3,435,000
2028/29	5,285,000		0.60700	3,208,000
2029/30	5,444,000		0.54932	2,990,000
2030/31	5,595,000		0.49712	2,781,000
2031/32	5,762,000		0.44989	2,592,000
2032/33	5,934,000		0.40714	2,416,000
2033/34	83,242,000	*	0.36845	30,670,000
			Estimated Value	$59,876,000
			Economic Benefits	$6,000,000
			(SAY)	$65,900,000
			Per Room	$659,000

Reversion Analysis

11th Year's EBITDA Less Reserves	$6,296,203
Capitalization Rate	8.0%
Total Sales Proceeds	$78,703,000
Less: Transaction Costs @ 2.0%	1,574,060
Net Sales Proceeds	$77,128,940

*10th year net income of $6,112,000 plus sales proceeds of $77,128,940

We note that in addition to the PILOT agreement granted by the Orange County Industrial Development Agency, the proposed subject hotel is expected to benefit from a waiver of mortgage recording tax, which in New York State is 1.05% of the amount of the mortgage, and county and state sales tax for construction material and equipment, which is 8.125%. As per the Second Supplemental Final Resolution, dated February 16, 2022, the mortgage recording tax savings through the Agency is not to exceed $316,968, assuming a $42,262,444 mortgage, and the county and state sales and use tax exemption benefits is not to exceed $2,051,782, assuming $25,252,699 of qualifying purchased goods and serves. Further, the proposed subject was awarded a $1,900,000 ESD Capital Grant from the Regional Councial Capital Fund through New York State's Regional Economic Development Council Initiative on December 19, 2019.

The proposed subject represents a hotel with 100 guestrooms and the appropriate public areas and back-of-the-house spaces for a hotel of this type. The proposed facility is further detailed in Chapter Three; please refer to this chapter for a full discussion of the proposed building.

FIGURE 8-8 PROPOSED SUBJECT PROPERTY – CONSTRUCTION COST ESTIMATE

Component	Cost	Cost per Room
Hard Costs & Site Improvements		
Concrete	$2,717,989	$27,180
Precast Concrete Plank	1,460,812	14,608
Concrete Underlayment	170,931	1,709
Masonry	4,597,455	45,975
Structural Steel	3,046,138	30,461
Misc. Metas	586,676	5,867
Cold Form Metal Framing	1,196,398	11,964
Rough Carpentry	501,455	5,015
Finish Carpentry	2,851,923	28,519
Waterproofing & Joint Sealants	156,373	1,564
Insulation	347,236	3,472
Stucco/EIFS	122,616	1,226
Screen Wall	256,576	2,566
Membrane Roofing	1,107,978	11,080
Fireproofing	162,444	1,624
Doors, Frames, & Hardware	847,327	8,473
Glass & Glazing	2,069,609	20,696
Louvers	1,625	16
Metal Framing and Drywall	3,027,533	30,275
Tile	921,754	9,218
Acoustical Ceilings	251,705	2,517
Wood Flooring	98,397	984
Resilient Flooring	135,962	1,360
Terrazzo	710,764	7,108
Carpet	80,347	803
Painting & Wallcovering	545,309	5,453
Specialties	64,765	648
Steam & Sauna Rooms	10,155	102
Elevators	729,093	7,291
Fire Protection	796,280	7,963
Plumbing	2,129,901	21,299
HVAC	7,383,658	73,837
Electrical	4,969,770	49,698
Sitework	714,363	7,144
Landscaping & Site Improvements	141,813	1,418
Hardscaping	252,025	2,520
General Conditions	1,730,720	17,307
General Requirements	759,998	7,600
Construction Management Overhead & Fee	1,492,770	14,928

FIGURE 8-9 PROPOSED SUBJECT PROPERTY – CONSTRUCTION COST ESTIMATE CONT.

Component	Cost	Cost per Room
Subtotal Hard Cost & Site Improvements	**$49,148,643**	**$491,486**
FF&E		
Model Room - FF&E/OS&E	$62,331	$623
Corridors	53,875	539
Guestrooms (FF&E)	2,493,375	24,934
Guestrooms (OS&E)	682,813	6,828
Public Space (FF&E)	1,008,390	10,084
Public Space (OS&E)	206,759	2,068
F&B	294,993	2,950
Fitness (Allowance)	75,000	750
Spa	304,915	3,049
Est. Tax (8.12%)	421,333	4,213
Est. Inland Freight (12%)	621,894	6,219
Est. Overseas Freight (20 Con-Count)	190,000	1,900
Est. Tariffs (5%)	259,123	2,591
Warehouse Allowance (4.5%)	233,210	2,332
Est. Install (GRM & OS)	175,000	1,750
Overall Allowance (1%)	51,825	518
Subtotal FF&E	**7,134,835**	**$71,348**
Pre-Opening Costs and Working Capital		
Marketing Pre-Opening	$150,000	$1,500
Subtotal Pre-Opening and Working Capital	**$150,000**	**$1,500**
Soft Costs		
Architectural and Engineering Fees	$931,000	$9,310
Financing Cost Construction	840,000	8,400
General Liability Insurance	768,776	7,688
Interior Design/FF&E Management	318,000	3,180
IDA Application	290,000	2,900
Legal/Audit	175,000	1,750
Pre-Construction Services	160,000	1,600
Origination Fee Financing	150,500	1,505
Civil Engineer	130,000	1,300
Commissioning Services	125,000	1,250
Spa Consultancy Design and Marketing	80,000	800
Property Taxes During Construction Period	80,000	800
Third-Party Testing Services	75,000	750
Procurement Services, FF&E	57,000	570
Accoustical Engineer	40,000	400
Restaurant Design Consultant	21,000	210
Subtotal Soft Costs	**$4,241,276**	**$42,413**
Subtotal (without Land and Developer's Fee)	$60,674,754	$606,748
Site Cost	**$2,109,449**	**$21,094**
Subtotal (without Developer's Fee)	$62,784,203	$627,842
Developer's Fee	**$0**	**$0**
Total	**$62,784,203**	**$627,842**

The construction budget provided by the developer includes hard costs and site improvements, furniture fixtures and equipment, pre-opening costs and working capital, soft costs, and site cost; however, it only includes a portion of the pre-opening costs and working capital typically associated with a development of this scale and does not include a contingency, a developer's fee, or an entrepreneurial incentive. As such, we have developed our own estimate of the total construction cost, which includes these additional items.

A developer's fee represents a recovery of costs to the project developer, including salaries, travel, administrative costs, and other expenses related to coordinating the development. It is separate from a developer's anticipated profit or entrepreneurial incentive. The developer's fee is typically dependent upon the complexity of project coordination and the length of the development timeline. In the case of relatively simple projects in markets with low barriers to entry, a developer's fee may not be considered, whereas complicated projects in high-barrier-to-entry markets may incur more substantial costs for coordination and administration during an extended planning and construction period. In some cases, the developer's administrative costs are included within other line times, rather than allocated to an individual developer's fee line item. Given the nature of the proposed subject property and a review of the development budget, a separate developer's fee is not considered appropriate.

Entrepreneurial incentive is a theoretical appraisal concept that represents the profit a developer would expect to earn on a development project. It is this expectation of profit, in addition to the actual cost, that motivates a developer to undertake a project. For most developers, this profit expectation is included in the projected overall yield resulting from the investment structure. As a result, entrepreneurial incentive is not typically identified as a budgeted item or specific dollar amount in developer's budgets. Based on our extensive review of development budgets and experience appraising proposed hotel properties, entrepreneurial incentive typically ranges from 0% to 10% of total project costs but may be up to 25% in some cases. In healthy markets with high barriers to entry, entrepreneurial incentive may not be in evidence, as developers may be motivated by the anticipated asset appreciation beyond the dates of completion and stabilization. On the other hand, developers may require a stronger anticipated return with an incentive at the high-end or above the typical range in markets with a higher risk of performance volatility or competitive supply growth. In the case of the proposed subject property, an entrepreneurial incentive of 2.5% is warranted based on our analysis of the project and market conditions.

FIGURE 8-10 TOTAL COST NEW ESTIMATE

Item	Cost per Room	Cost
Building	$515,500	$51,550,000
Soft Costs	44,500	4,450,000
Furniture, Fixtures, & Equipment	49,250	4,925,000
Pre-Opening Costs & Working Capital	15,000	1,500,000
Developer Fee (if Applicable)	16,250	1,625,000
Land	23,000	2,300,000
Entrepreneurial Incentive	16,588	1,658,750
Total Cost New Estimate (Rounded)	**$680,000**	**$68,000,000**

We note the all-in cost for the project exceeds the present value indication of all economic benefits derived from the coordinated efforts of ownership and management entities with the Thayer Hotel at West Point being assigned to the proposed Thayer Resort and Spa at West Point, as well as the economic benefits awarded by the Orange County Industrial Developmental Agency and the Mid-Hudson Regional Empire Development Council by ($2,100,000).

In relation to market return rates, the forecasted stabilized EBITDA Less Reserve Replacement as presented in greater detail in the body of the report forms the numerator and the all-in cost of the project net of economic benefits awarded by the Orange County Industrial Development Agency and the Mid-Hudson Regional Empire Development Council forms the denominator in the calculation of return on investment (ROI).

FIGURE 8-11 RETURN ON INVESTMENT

Development Cost Allocation	$68,000,000
less Economic Benefits	6,000,000
Adjusted Development Cost Allocation	**$62,000,000**
EBITDA Less Replacement Reserve	$4,003,000
÷ Adj. Development Cost Allocation	62,000,000
Calculated Return	**6.5%**

The development of the proposed Thayer Resort and Spa at West Point is expected to allow ownership the ability to reposition the larger lodging operation and improve the property's competitive position and financial performance. Management is anticipated to capitalize on the upgraded programming of amenities and facilities to establish a stronger base of commercial clients and to attract additional demand to the market given the larger lodging operation's unique location near the USMA, and overlapping ownership and management structures coupled with the lack of competitive supply in the area, as users would have likely chosen an alternate destination if it were not for the availability of the new facility. We note the all-in cost for the project exceeds the present value indication of all economic benefits derived from the coordinated efforts of ownership and management entities with the Thayer Hotel at West Point being assigned to the proposed Thayer Resort and Spa at West Point, as well as the economic benefits awarded by the Orange County Industrial Developmental Agency and Mid-Hudson Regional Empire Development Council by ($2,100,000). However, our review of investor surveys indicates an appropriate yield threshold, or overall capitalization rates in real estate investment parlance, of 6.5% to 7.0% based on the proposed subject property's physical and operating characteristics, its unique status as a hotel near the USMA, and its specific risk factors. Based on these parameters, the calculated return, 6.5%, is within the range, albeit on the lower end, and consequently economically feasible. It is important to note that changes to the programming of the proposed Thayer Resort and Spa at West Point were reportedly made with the intent of reducing the total project cost while maintaining the revenue generating potential of the proposed hotel. Further, the construction budget provided by the developer does not include a contingency, a developer's fee, and an entrepreneurial incentive, and only a portion of the pre-opening costs and working capital. Our estimate of replacements costs, which the calculated return is based upon, reflect these additional items.

The analysis is based on the extraordinary assumption that the described improvements have been completed as of the stated date of opening. The reader should understand that the completed subject property does not yet exist as of the date of this report. Our feasibility study does not address unforeseeable events that could alter the proposed project, and/or the market conditions reflected in the analyses; we assume that no significant changes, other than those anticipated and explained in this report, shall take place between the date of inspection and stated date of opening. The use of this extraordinary assumption may have affected the assignment results. We have made no other extraordinary assumptions specific to this feasibility study. However, several important general assumptions have been made that apply to this feasibility study and our studies of proposed hotels in general. These aspects are set forth in the Assumptions and Limiting Conditions chapter of this report.

Section II Project Information Sketches

Attached PDF is most recent project plans for South Gate Flats LTD project consisting of 100 hotel rooms and mixed-use facility.

HIGHLAND FALLS - MIXED USE PROJECT
SEPTEMBER 2019

PROJECT N° 20180153		09/27/2019		COVER

HIGHLAND FALLS MIXED USE
HIGHLAND FALLS, NEW YORK

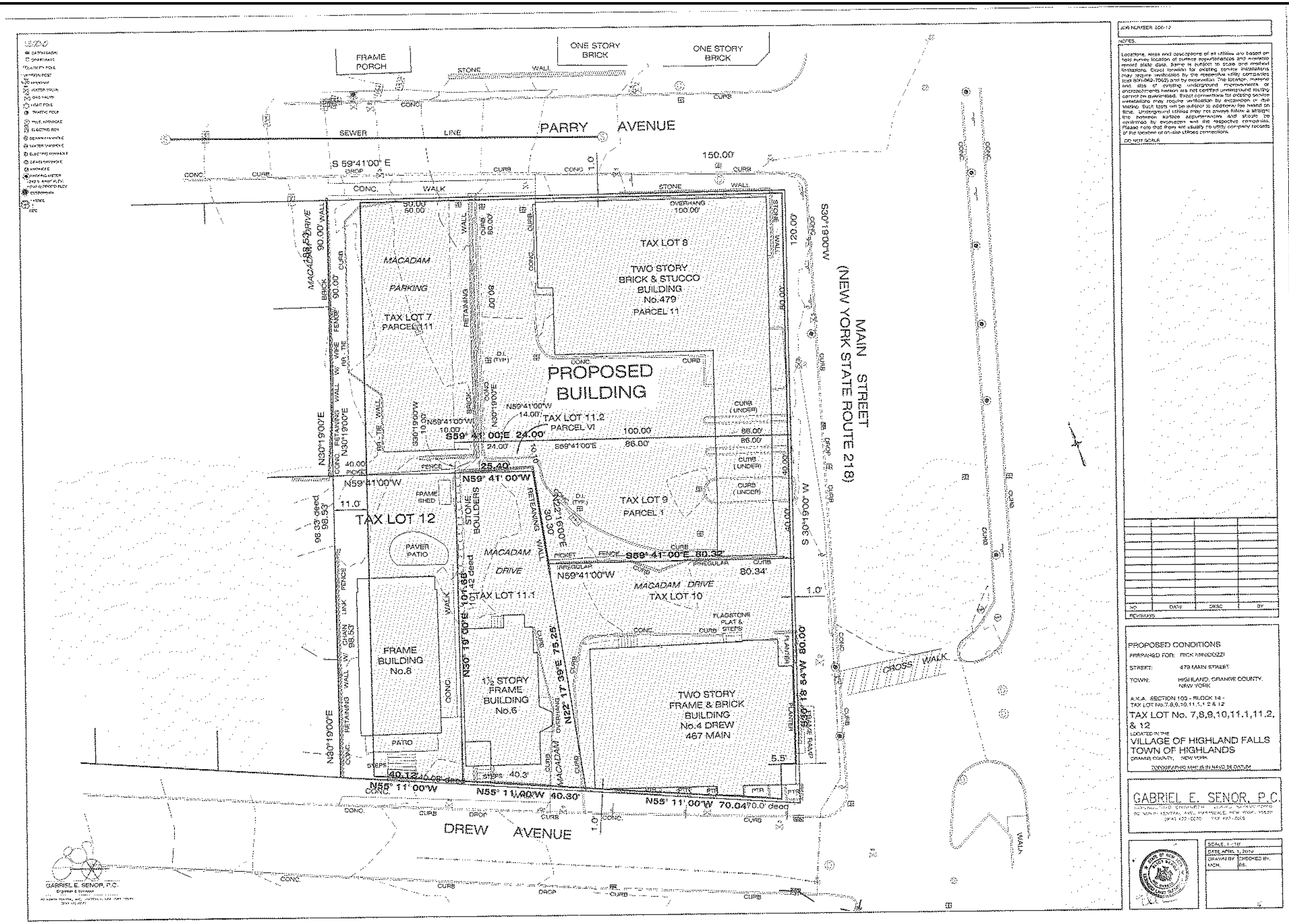
COOPER CARRY

PROJECT N° 20180153 | SCALE: 1" = 70'-0" | 09/27/2019

SITE PLAN

HIGHLAND FALLS MIXED USE
HIGHLAND FALLS, NEW YORK

COOPER CARRY



PROJECT N°	20180153	NOT TO SCALE	09/27/19	SURVEY

HIGHLAND FALLS MIXED USE
HIGHLAND FALLS, NEW YORK

COOPER CARRY

LEGEND

- CIRCULATION
- HOTEL REVENUE
- HOTEL REVENUE SUPPORT
- OFFICE
- PARKING
- POOL
- RETAIL REVENUE
- RETAIL REVENUE SUPPORT
- SERVICE
- SERVICE VERTICAL CIRCULATION
- VERTICAL CIRCULATION

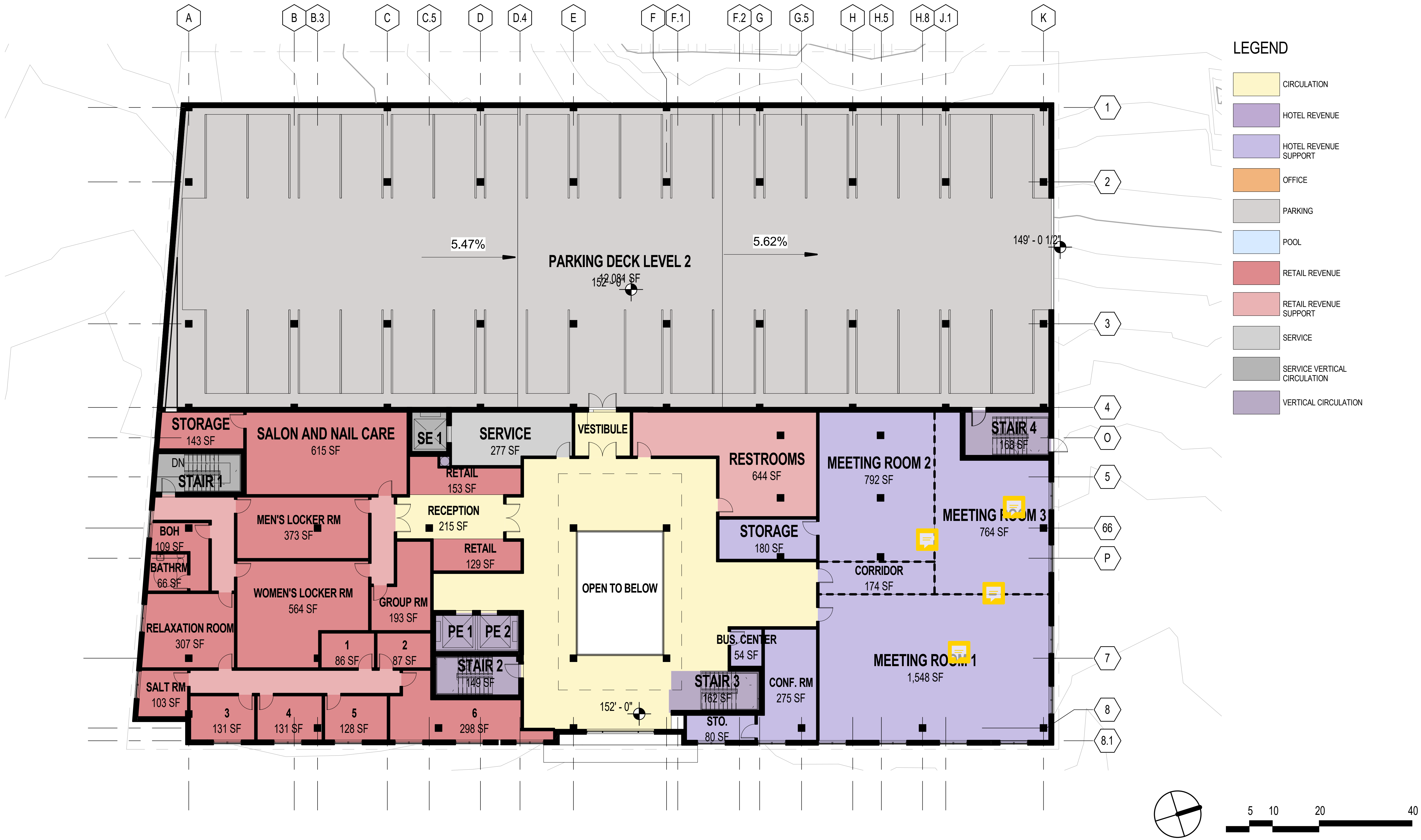
GUESTROOM TYPE	
TYPE A1 - STANDARD KING ROOM	18
TYPE A2 - STANDARD DOUBLE QUEEN ROOM	24
TYPE B1 - LONG KING ROOM	3
TYPE B2 - LONG DOUBLE QUEEN ROOM	3
TYPE C - LARGE KING ROOM	6
TYPE D1 - KING SUITE	12
TYPE D2 - CORNER KING SUITE	6
TYPE E1 - TWO BEDROOM SUITE	3
TYPE E2 - TWO BEDROOM SUITE	3
TOTAL KEYS: 78	78

PROJECT N° 20180153 | SCALE: 1" = 20'-0" | 09/27/2019

FLOOR PLAN - FIRST FLOOR

HIGHLAND FALLS MIXED USE
HIGHLAND FALLS, NEW YORK

COOPER CARRY



PROJECT N° 20180153 | SCALE: 1" = 20'-0" | 09/27/2019

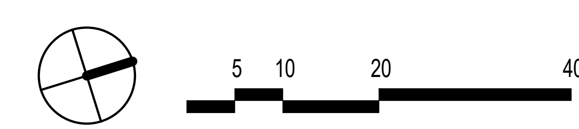
FLOOR PLAN - 2ND FLOOR

HIGHLAND FALLS MIXED USE
HIGHLAND FALLS, NEW YORK

COOPER CARRY

LEGEND

- CIRCULATION
- HOTEL REVENUE
- HOTEL REVENUE SUPPORT
- OFFICE
- PARKING
- POOL
- RETAIL REVENUE
- RETAIL REVENUE SUPPORT
- SERVICE
- SERVICE VERTICAL CIRCULATION
- VERTICAL CIRCULATION



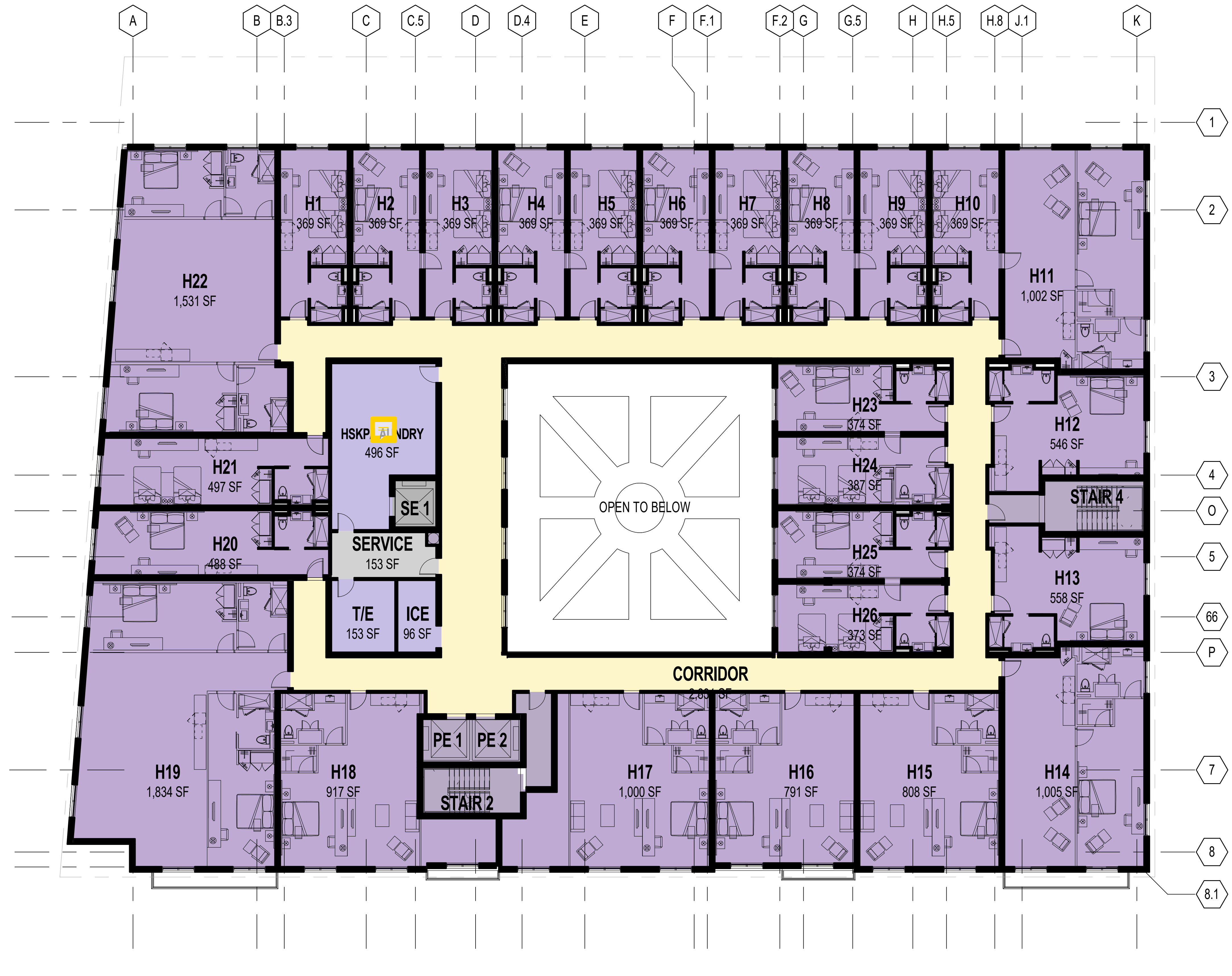
PROJECT N° 20180153 | SCALE: 1" = 20'-0" | 09/27/2019

FLOOR PLAN - 3RD FLOOR

HIGHLAND FALLS MIXED USE

HIGHLAND FALLS, NEW YORK

COOPER CARRY



LEGEND

- CIRCULATION
- HOTEL REVENUE
- HOTEL REVENUE SUPPORT
- OFFICE
- PARKING
- POOL
- RETAIL REVENUE
- RETAIL REVENUE SUPPORT
- SERVICE
- SERVICE VERTICAL CIRCULATION
- VERTICAL CIRCULATION

PROJECT N° 20180153 | SCALE: 1" = 20'-0" | 09/27/2019

FLOOR PLAN - 4TH FLOOR

HIGHLAND FALLS MIXED USE
HIGHLAND FALLS, NEW YORK

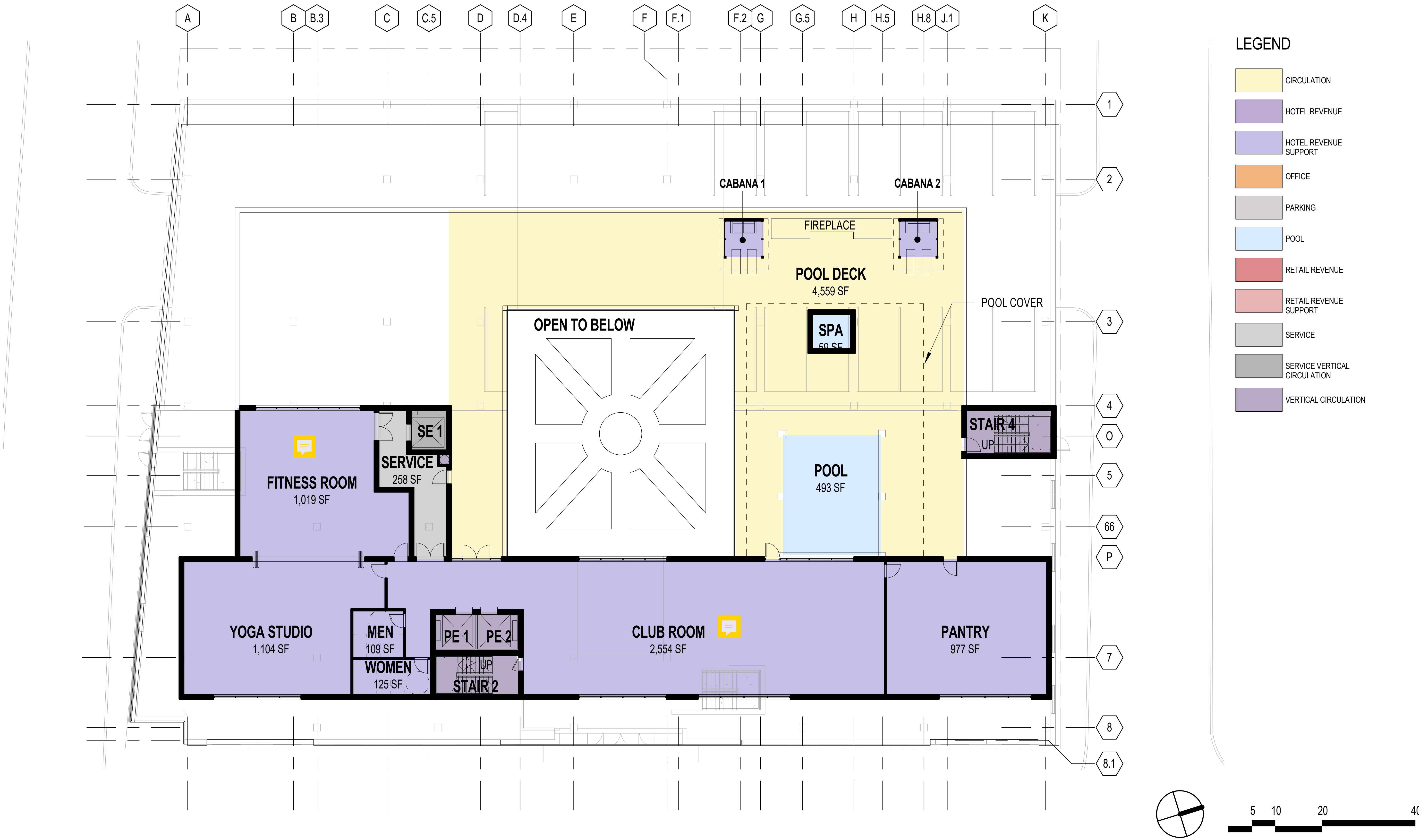
COOPER CARRY

PROJECT N° 20180153 | SCALE: 1" = 20'-0" | 09/27/2019

FLOOR PLAN - 5TH FLOOR

HIGHLAND FALLS MIXED USE
HIGHLAND FALLS, NEW YORK

COOPER CARRY



PROJECT N° 20180153	SCALE: 1" = 20'-0"	09/27/2019	FLOOR PLAN - 6TH FLOOR

HIGHLAND FALLS MIXED USE
HIGHLAND FALLS, NEW YORK

COOPER CARRY

PROJECT N° 20180153		09/27/2019	EXTERIOR RENDERING

HIGHLAND FALLS MIXED USE
HIGHLAND FALLS, NEW YORK

COOPER CARRY

Section II Project Information IDA question F narrative

South Gate Flats, Ltd will build a 100 suite luxury hotel and spa on Main Street in Highland Falls. This first class hotel features restaurant, full service spa, salon, rooftop club room with pool and fitness center, lobby bistro, lounge, group meeting spaces, social events spaces and office space. The building is designed specifically to meet the Mid-Hudson REDC's "work, live, play" initiative.

Rick Minicozzi, Managing Partner of South Gate Flats, Ltd, has 30 years of development experience, having developed and revitalized dozens of apartment communities and condominium projects in Texas and is the leading force behind the revitalization of The Thayer Hotel. Rick is a West Point graduate and Veteran who understands synergistic business development. He, along with a group of other distinguished West Point Veterans, all with a love for West Point and the Hudson Valley, are the investment team for South Gate Flats. Rick and some of his partners have founded other businesses in the Hudson Valley to include Thayer Leader Development Group at West Point, bringing thousands of corporate executives to the Hudson Valley for leader development. These businesses have led to significant increase of visitors to the Hudson Valley as indicated by occupancy increasing 21.4% at the Thayer Hotel from 28,000 guest rooms sold in 2009 to 35,000 guest rooms in 2019.

South Gate Flats will be built on the site of a currently vacant bank and a significantly deteriorating boarding house, both extreme eye sores and sources of crime in Highland Falls that are near the entry gate to West Point, the most distinguished leadership institution in the world.

This buzz and economic stimulus from South Gate Flats will attract other businesses to invest in Highland Falls to live, work and play, thus creating a more dynamic village. The investment team of South Gate Flats has the track record and financial means to complete the project on time, investing our own capital to build a beautiful new anchor building. We will preserve the architectural character of the village, around which further development can take place to enhance Highland Falls with the ultimate goal of making it a destination town similar to Williamsburg VA.

The renovation of the Thayer Hotel in 2010 and the founding of Thayer Leader Development Group by this same group of investors, demonstrates our ability to increase visitation to West Point and add to the local economy. While the financial capability of our team is very strong, the financial performance of a luxury property of this scope and scale in Highland Falls is not possible without resolution support from the IDA.

A resolution from the IDA is therefore critical to this project being developed at the proposed luxury level.

Section II Project Information IDA question G narrative

In order to fully understand the market and the opportunity, we engaged HVS, arguably the premier hospitality appraisal company in the world, to do a market study and economic analysis of the proposed South Gate Flats (SGF) as well as a separate complete market study and economic analysis of the spa and salon.

SGF is estimated to have a development cost of $63MM plus an initial operating fund of $2MM for expected early year operational losses, for a total investment requirement of $65MM.

The HVS report suggests first year occupancy of only 46%, with an operating loss and estimated the hotel to reach a stabilized occupancy occurring in year 4 of operation. This creates a long road to break even and longer road to profitability.

The HVS financial analysis report demonstrates the estimated value of the project to be inverted with a value of SGF at completion in 2028 to be only $62MM, with a $68MM development cost. HVS also estimates the reversion value in of SGF after a 10 year holding period, net of closing costs, of only $77.12MM. This is an increase of only $9MM from the total investment requirement for SGR of $68MM for a 10 years prior.

The HVS report suggests the first year occupancy will result in loss and SGF will reach a stabilized occupancy and break even in year 4 of operation, creating a long road to break even and longer road to profitability.

A resolution from IDA will significantly help offset the risk associated with this pioneering development in Highland Falls, reducing the construction cost and helping to mitigate the inverted value of the project at completion of construction. Pilot will help ease the negative cash flow in the early years of the development as we ramp to a stabilized operation in year 4.

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Section IV Employment plan question F narrative

The internal training opportunities for all employees include:

We provide a full array of training for our employees to ensure an outstanding guest experience and well trained employee.

Service Excellence Training, Productive Work Environment training, physical tour of hotel building and West Point tour, quarterly safety training, blood borne pathogen training, hazardous material training, as well as on boarding training that includes company culture training, service training, slips trips and falls safety training, prevention of harassment and anti-discrimination training.

The Front Desk staff also receives additional guest relation training, reservations training, property management system training, Travel Click Guest Management System training, Monet energy system training, Lutron Lighting

Training and ongoing policy and procedure training.

The Sales Department team receives additional training on Delphi Sales Management System and Banquet Event Order production, Opera Property Management System, Blue Buzzard contract and proposal system, catering menu and sales training, as well as ongoing policy and procedure training.

Food and Beverage employees receive additional training on Sparkle Service Excellence, a 70 point food and beverage training plan, menu training and testing, menu upsell training, TIPS (Training for Intervention Procedures) training, Micros Point of Sale training, and ongoing policy and procedure training.

All vacancies for positions in the hotel are posted for employees to apply for, and there are cross training opportunities within each department, as well as opportunities to work additional shifts in other departments to gain broader hotel experience.

Promotions are always made from within the existing employees when an employee has the appropriate skill set, capability, interest and aspiration for increased responsibility and job growth.

Section II Project Information IDA question H narrative

The project is designed as a luxury hotel to serve as the anchor building for the revitalization of Highland Falls and as an economic stimulus and an enhancement to the Hudson Valley. South Gate Flats will be built in the heart of the Hudson Valley, close to two of New York State's top tourist attractions, West Point and the retail Woodbury Common Premium Outlets, and has all of the appropriately designed amenities and services to effectively drive overnight destination get away trips, attracting both domestic and international travelers to stay and play in the Hudson Valley.

While the Thayer Hotel is a beautiful historic building, it does not have the amenities and services available at South Gate Flats to make West Point and the Hudson Valley an overnight destination get away. South Gate Flats will bridge that gap for the Thayer Hotel and all of the other area hotels, bringing those services and amenities to increase the draw of these other area hotels as well. This combination of new amenities and services coupled with currently unused hotel inventory will accelerate the drive of additional tourism to the Hudson Valley. Highland Falls, only 50 miles from NYC, northern NJ, and CT, will now serve as the "Hub" of the Hudson Valley, bringing destination travelers with the means and desire to contribute to the economy to enjoy all of the Hudson Valley attractions. This will help make NY State become the destination of choice for families who do not live in NY but are looking to create meaningful memories. These additional out of state get away trips will highlight the tourism initiatives of NY, while increasing visitation and visitor spending in the Hudson Valley. This will create a significant regional economic impact while increasing the economy, visibility and social viability of Highland Falls as part of its downtown revitalization effort.

This buzz and economic stimulus from South Gate Flats will attract other businesses to invest in Highland Falls to live, work and play, thus creating a more dynamic village. The investment team of South Gate Flats has the track record and financial means to complete the project on time, investing our own capital to build a beautiful new anchor building. We will preserve the architectural character of the village, around which further development can take place to enhance Highland Falls with the ultimate goal of making it a destination town similar to Williamsburg VA.

The renovation of the Thayer Hotel in 2010 and the founding of Thayer Leader Development Group by this same group of investors, demonstrates our ability to increase visitation to West Point and add to the local economy. While the financial capability of our team is very strong, the financial performance of a luxury property of this scope and scale in Highland Falls is not possible without resolution support from the IDA.

This luxury hotel will be built inclusive of Service Disabled Veteran Owned Business, Iron Sword Enterprises, which will employ as many Veteran and Minority and Women Owned Businesses as possible for the development and construction of the hotel. NY is home to more than 900,000 veterans and this project is 250 yards from the entrance gate of West Point, where 6000 active duty military service members and family members live. South Gate Flats creates great opportunity for the service member's family for employment and for all of the military families to enjoy the services and amenities of the hotel.

The project will create strong consumer activity that will ripple through the local community, creating beneficial fiscal and economic impacts throughout the Village of Highland Falls, Orange County, and the region as a whole. Fiscal impacts include the generation of property tax revenues and their distribution among local taxing jurisdictions. Economic impacts include direct, indirect and induced benefits on output, employment and associated labor income during the construction phase and during stabilized annual operations. Moreover, the proposed project will generate immediate construction jobs as well as permanent employment opportunities for Highland Falls and area residents. Such fiscal and economic benefits are most crucial to the economic well-being of the Hudson Valley, New York State and the nation as a whole.

We hired consultants to conduct an economic impact study and they determined that during the construction period it is anticipated to generate 124 full time equivalent (FTE) jobs, which are anticipated to last most of the construction period. The 124 FTE jobs created during the construction period will have an indirect impact of another 32.4 FTE employees and an induced impact of another 77.6 FTE employees in other industry sectors, bringing the total impact of the construction period to 234.73 FTE jobs. This job creation – direct, as well as indirect and induced – is most crucial to the Hudson Valley's economic well-being, and presents opportunities for persons who remain unemployed throughout the region. The hotel will open in 2028 and the first full year of operations will occur in 2029. Upon stabilized operations, the hotel is anticipated to generate 72 FTE jobs on site. The 72 FTE jobs will have an indirect impact of 5.4 FTE employees and an induced impact of 12.8 FTE employees in other industry sectors, bringing the total economic impact of employment to 90 FTE jobs during annual operations.

We would not be able to build a luxury hotel of this quality and scope in Highland Falls with all of the amenities without the assistance from the IDA. Instead, at best, we would need to scale the project back considerably to just be another limited service hotel in Highland Falls, thus reducing the impact and value of the project.

Thayer Resort and Spa at West Point
479 Main Street
Highland Falls, NY 10928

July 29, 2021

Design Development Estimate

Architect:
Cooper Carry
75 Broad Street, Suite 2210
New York, NY 10004
(212) 691-0271

Owner:
West Point

Cost Estimator:
CHA Consulting, Inc
1 Faneuil Hall Marketplace
South Market Bldg, Suite 4195
Boston, MA 02109
(617) 451-2717

Thayer Resort & Spa at West Point
Highland Falls, NY
141,239 GSF

MAIN SUMMARY

ELEMENT			COST	COST/GSF
Direct Trade Cost Details			$42,183,185	$298.67
Direct Trade Details Subtotal			**$42,183,185**	**$0.00**
General Conditions	3.67%	$42,183,185	$1,550,000	$10.97
General Requirements	3.30%	$42,183,185	$922,000	$6.53
General Liability Insurance	1.50%	$42,183,185	$632,750	$4.48
CM Fee	3.00%	$42,183,185	$1,265,500	$8.96
Estimated Construction Cost			**$46,553,435**	**$329.61**

By Owner Cost Items				
Design and Pricing Contingency - Carried By Owner	5.00%	$42,183,185	$2,109,159	$14.93
Builders Risk Insurance - Carried By Owner	0.70%	$42,183,185	$295,290	$2.09
Performance and Payment Bonds - Carried By Owner	0.73%	$42,183,185	$307,940	$2.18
Building Permit Fee - Carried By Owner	$ 10 /$ 1,000	$42,183,185	$421,840	$2.99
CM Contingency - Carried By Owner	3.50%	$42,183,185	$1,476,420	$10.45
11 40 00 Food Service Equipment - Carried By Owner			($310,500)	($2.20)
Subtotal, By Owner Cost Items			**$4,300,149**	$30.45

Subtotal, Estimated Construction Cost (Construction + Owner Cost Items)			**$50,853,585**	**$360.05**
Escalation and Bidding Climate Contingency - Carried By Owner	3.50%	$50,853,585	$1,779,880	$12.60
Estimated Construction Cost Total			**$52,633,465**	**$372.66**

DIRECT TRADE COST SUMMARY		Thayer Resort and Spa at West Point 479 Main Street 141,239 GSF
ELEMENT	**COST**	**COST/GSF**
02 41 00 Demolition	$248,807	$1.76
02 82 00 Asbestos Remediation	$100,000	$0.71
02-EXISTING CONDITIONS TOTAL	**$348,807**	**$2.47**
03 30 00 Cast in Place Concrete	$1,869,445	$13.24
03 35 43 Polished Concrete Finishing	$15,000	$0.11
03 50 00 Concrete Topping	$171,852	$1.22
03 41 00 Plant-Precast Structural Concrete	$886,472	$6.28
03-CONCRETE TOTAL	**$2,942,769**	**$20.84**
04 22 00 Brick Masonry	$2,431,757	$17.22
04 26 13 Masonry Veneer	$709,440	$5.02
04 43 13.13 Anchored Stone Masonry Veneer	$20,020	$0.14
04-MASONRY TOTAL	**$3,161,217**	**$22.38**
05 12 00 Structural Steel Framing	$2,940,852	$20.82
05 31 00 Steel Decking	$228,332	$1.62
05 40 10 Structural Cold-Formed Steel Wall Panels	$68,750	$0.49
05 40 00 Cold-Formed Metal Framing	$198,645	$1.41
05 50 00 Metal Fabrications	$393,890	$2.79
05 51 13 Metal Pan Stairs	$409,000	$2.90
05 52 13 Pipe and Tube Railings	$46,200	$0.33
05 73 00 Decorative Metal Railings	$227,580	$1.61
05-METALS TOTAL	**$4,513,249**	**$31.95**
06 10 53 Miscellaneous Rough Carpentry	$532,696	$3.77
06 20 23 Interior Finish Carpentry	$957,900	$6.78
06-WOOD AND PLASTICS TOTAL	**$1,490,596**	**$10.55**
07 11 00 Dampproofing & Waterproofing	$143,723	$1.02
07 21 00 Thermal Insulation	$133,072	$0.94
07 24 13 Exterior Insulation and Finish System (EIFS)	$24,640	$0.17
07 27 26 Fluid-Applied Membrane Air Barriers	$177,735	$1.26
07 54 23 Thermoplastic Polyolefin (TPO) Roofing	$570,822	$4.04
07 81 00 Applied Fireproofing	$61,520	$0.44
07 84 13 Penetration Firestopping	$119,040	$0.84
07 92 00 Joint Sealants	$457,147	$3.24
07-THERMAL AND MOISTURE PROTECTION TOTAL	**$1,687,699**	**$11.95**
08 10 00 Doors and Frames	$895,235	$6.34
08 35 13 Folding Doors	$55,400	$0.39
08 41 13 Aluminum-Framed Entrances and Storefronts	$87,100	$0.62

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DIRECT TRADE COST SUMMARY		Thayer Resort and Spa at West Point 479 Main Street 141,239 GSF
ELEMENT	COST	COST/GSF
08 44 13 Glazed Aluminum Curtain Walls	$35,250	$0.25
08 51 13 Aluminum Windows	$1,097,817	$7.77
08 00 00 Glazing	$124,542	$0.88
08 9119 Fixed Louvers	$2,400	$0.02
08-DOORS AND WINDOWS TOTAL	**$2,297,744**	**$16.27**
09 21 16 Gypsum Board Assemblies	$3,049,236	$21.59
09 30 00 Tiling	$427,255	$3.03
09 51 13 Acoustical Panel Ceilings	$430,830	$3.05
09 64 00 Wood Flooring	$0	$0.00
09 65 19 Resilient Tile Flooring	$109,133	$0.77
09 66 13 Portland Cement Terrazzo Flooring	$14,795	$0.10
09 68 13 Tile Carpeting	$22,737	$0.16
09 72 00 Wall Covering	$353,466	$2.50
09 91 00 Painting	$569,714	$4.03
09-FINISHES TOTAL	**$4,977,165**	**$35.24**
10 00 00 Specialties	$502,610	$3.56
10-SPECIALTIES TOTAL	**$502,610**	$3.56
		$0.00
11 31 00 Residential Appliances	$9,900	$0.07
11 40 00 Food Service Equipment By Owner	$310,500	$2.20
11-EQUIPMENT TOTAL	**$320,400**	**$2.27**
12 22 00 Curtains and Drapes	$29,960	$0.21
12 24 13 Roller Window Shades	$88,645	$0.63
12 36 31 Quartz Agglomerate Countertops	$30,360	$0.21
12 48 16 Entrance Floor Grilles	$2,200	$0.02
12-FURNISHINGS TOTAL	**$151,165**	**$1.07**
13 00 00 Special Construction	$638,830	$4.52
10-SPECIALTIES TOTAL	**$638,830**	**$4.52**
14 00 01 Elevator	$872,000	$6.17
14 91 33 Laundry and Linen Chutes	$126,000	$0.89
14-CONVEYING EQUIPMENT TOTAL	**$998,000**	**$7.07**
21 00 00 Fire Protection	$1,193,585	$8.45
22 00 00 Plumbing	$2,914,482	$20.64
23 00 00 HVAC	$5,883,344	$41.66
21, 22, 23 - MECHANICAL TOTAL	**$9,991,410**	**$70.74**

DIRECT TRADE COST SUMMARY

Thayer Resort and Spa at West Point
479 Main Street
141,239 GSF

ELEMENT	COST	COST/GSF
26 00 00 Electrical	$6,158,811	$43.61
26 - 27-ELECTRICAL, COMMUNICATION TOTAL	**$6,158,811**	**$43.61**
31 00 00 Earthwork	$1,230,840	$8.71
32 00 00 Exterior Improvements	$462,442	$3.27
33 00 00 Utilities	$309,430	$2.19
31 - SITEWORK TOTAL	**$2,002,713**	**$14.18**
Direct Trade Details Subtotal	**$42,183,185**	**$298.67**