

CHAIR
INVESTIGATIONS & GOVERNMENT OPERATIONS

COMMITTEES
AGRICULTURE
CORPORATIONS, AUTHORITIES & COMMISSIONS
FINANCE
INTERNET & TECHNOLOGY
LOCAL GOVERNMENT
TRANSPORTATION



SENATOR
JAMES SKOUFIS
30TH SENATORIAL DISTRICT
STATE OF NEW YORK

ALBANY OFFICE:
ROOM 815
LEGISLATIVE OFFICE BUILDING
ALBANY, NY 12247
OFFICE: 518-455-3290

DISTRICT OFFICE:
47 GRAND STREET
NEWBURGH, NY 12550
OFFICE: 845-567-1270

ROCKLAND OFFICE:
55 WEST RAILROAD AVENUE
SUITE 24A2
GARNERVILLE, NY 10923
OFFICE: 845-786-6710

e-mail:
skoufis@nysenate.gov

November 14, 2019

Ms. Mary Ellen Rogulski
Chairwoman, Orange County IDA
4 Crotty Lane, Suite 100
New Windsor, NY 12553

Dear Chairwoman Rogulski & Board:

It has come to my attention that South Gate Flats (aka Thayer Flats) has applied to the Orange County IDA for a mortgage tax exemption, sales tax exemption, and payment in lieu of taxes. While the project itself is an excellent one and well-suited for the Highland Falls community, I would like to comment on the applicant's desired PILOT.

On July 19, 2019, Rick Minicozzi, the project's managing partner, emailed my office requesting support for a New York State Consolidated Funding Application (CFA) award. He noted, "We would not be able to build a luxury hotel of this quality, scope and scale in Highland Falls without the assistance of a grant from the Empire State Economic Development Fund." I was inclined to submit a letter of support for the project but first inquired whether Mr. Minicozzi would, if provided an award, *also* seek a PILOT subsidized by local property taxpayers. Despite the explicit question and a follow-up voicemail from my office, we never received an answer.

Thus, it comes as no surprise to me that an application now sits before the Orange County IDA Board for a four-year PILOT. What is surprising, however, is that there is not a single mention of the pending CFA funding in the entire application, particularly since the Mid-Hudson Regional Economic Development Council designated South Gate Flats as one of their priority projects for a \$2 million award.

Nevertheless, page 17 of South Gate Flats' IDA application states, "The project cannot be developed without the requested assistance from OCIDA," a repackaged warning from the aforementioned July email. Section I Project Information IDA Question H Narrative of the IDA application reads more like a copy-and-paste from the July email: "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.”

While it stands to reason the IDA application should not presume CFA funding, it is notable that the pending award is not considered or even mentioned. Thus, it also stands to reason that if, indeed, a \$2 million CFA award is granted next month, the requested IDA PILOT can be adjusted accordingly. Hypothetically, if a \$2 million (or less) property tax break was originally deemed necessary by the applicant and IDA for the project’s viability, an unanticipated (per the IDA application) \$2 million CFA award ought to render a PILOT moot. This outcome would ensure the project’s viability *and* best protect local taxpayers by maximizing the community’s ratable.

I thank you for your serious consideration of the issues raised in this letter.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "James Skoufis", with a stylized flourish at the end.

James Skoufis
Senator, 39th District