

ORIGINAL

2 ORANGE COUNTY INDUSTRIAL AGENCY
3 STATE OF NEW YORK

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4 IN THE MATTER OF

5 CLEAR KEY, LLC

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7 Village of South Blooming Grove
8 Village Hall
9 811 State Route 208
10 Monroe, New York
11 July 11, 2016
12 11:00 a.m.

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14 B E F O R E: James Petro, Executive Director
15 Orange County IDA
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23 FRANCES ROTH
24 COURT STENOGRAPHER
25 168 North Drury Lane
Newburgh, New York 12550
(845) 566-1641

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4 A P P E A R A N C E S:

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6 LAW OFFICES OF KEVIN T. DOWD
7 Attorneys for ORANGE COUNTY IDA
8 96 Daisy Lane
9 Montgomery, New York 12549

10 Kelly Reilly, Client Services Specialist, OCIDA

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1 CLEAR KEY, LLC

2 MR. PETRO: We're going to call the public
3 hearing to order for Clear Key, LLC. Please
4 stand for the Pledge of Allegiance.

5 (Whereupon, the Pledge of Allegiance was
6 recited.)

7 MR. PETRO: So today we have the public
8 hearing for Clear Key. I'm Jim Peter, agent of
9 the Orange County IDA, Kevin Dowd, IDA attorney,
10 Franny's our stenographer and Kelly's the
11 all-around boss of everything pretty much. So
12 with that, Mr. Dowd, could we have the Notice of
13 Public Hearing?

14 MR. DOWD: Sure. Notice is hereby given
15 that a public hearing pursuant to Article 18-A of
16 the New York General Municipal Law will be held
17 by the Orange County Industrial Development
18 Agency on Monday, July 11, 2016 at 11:00 a.m.
19 local time, at the Village Offices at 811 State
20 Route 208 at the intersection of Route 208 and
21 Sgt. Matt Kelly Square next to the South Blooming
22 Grove Fire Department in the Village of South
23 Blooming Grove, New York, in connection with the
24 following matter: Clear Key, LLC for itself or
25 on behalf of an entity formed or to be formed has

CLEAR KEY, LLC

submitted an application to the Agency requesting the Agency's assistance with respect to a certain project consisting of (i) the acquisition by the Agency of a leasehold or other interest in an approximately 11 plus/minus acre parcel of land located on State Route 208 in the Village of South Blooming Grove, Orange County, New York, (ii) the construction on the Land of an approximately 40,000 square foot Sleep Inn & Suites hotel and (iii) the acquisition and installation in, on and around the Improvements of certain items of equipment and other tangible personal property, including, but not limited to, beds, dressers, carpeting, tables, chairs, HVAC systems plumbing and electrical fixtures and elevators. The Agency will acquire a leasehold interest in the Facility and lease the Facility back to the Company. The Company will operate the Facility during the term of the lease. At the end of the lease term, the Agency's leasehold interest will be terminated. The Agency contemplates that it will provide financial assistance to the Company in the form of sales and use tax exemptions, a mortgage recording tax

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2 exemption and a real property tax abatement, all
3 consistent with the policies of the Agency unless
4 procedures for deviation are complied with. A
5 representative of the Agency will be at the
6 above-stated time and place to present a copy of
7 the Company's Project Application and hear and
8 accept written and oral comments from all persons
9 with views in favor of or opposed to or otherwise
10 relevant to the proposed Financial Assistance.

11 Dated June 29, 2016 by Orange County Industrial
12 Development Agency.

13 MR. PETRO: Thank you, Mr. Dowd. Real
14 property tax abatement of a 10 year PILOT,
15 mortgage tax exemption of approximately 73,5,
16 sales and use tax exemptions is 77,126. This
17 application is from the applicant. I know that
18 we've met prior, we being myself, Kelly, with the
19 town board here and we've gone over specifically
20 this project, perfect timing, and they seem to be
21 pretty happy with the whole project. I do have a
22 letter here from Robert Jeroloman and he's the
23 mayor in support of the project, he just wanted
24 to understand the project a little bit better
25 which he does. So with that, we do have

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2 representatives here from the application, would
3 you like to say anything? I mean, pretty much
4 have gone over the whole thing, nobody is here to
5 talk to other than us.

6 MS. HALLAHAN: We're in favor of it.

7 MR. PETRO: This row's in favor, pretty
8 good. So we've gone over it, everything seems to
9 be pretty clear. There's obviously nobody here
10 that would be in opposition because this is the
11 period where I open it up to the public but that
12 seems to be a little not necessary I guess at
13 this time. Well, it's open to the public. The
14 original letter from the mayor said he was
15 unclear about the PILOT, at this point, we've met
16 and it was well explained to them and they seem
17 to have agreed that this is a good project.

18 MR. FIORAVANTI: I was at that meeting and
19 it was very well received, it was very well
20 received. They were appreciative and we were
21 appreciative of them reaching out. They first
22 mentioned it to Ciro that they'd like to know
23 about it, so we appreciate it, it's a chance to
24 really educate them on what PILOTS are about,
25 what incentives are and dispel some of the myths

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2 along the way. I thought it was productive, I'd
3 love to do more like that.

4 MR. PETRO: It is open to the public right
5 now, you can sign in though, we have a letter
6 from the mayor, pretty clear case here, just
7 moving forward. Anybody else want to say
8 anything? This is your chance.

9 MR. FIORAVANTI: Well, I'll make a statement
10 just to have it on record. Thank you for the
11 opportunity of course. Maureen and I have been
12 working with the Gagliardis for God a year now I
13 want to say, he was introduced by one of our
14 local officials who suggested that they contact
15 us. We love getting to know them, they're a
16 wonderful family, well known developer family
17 here locally in the area. It's not the typical
18 kind of project we work on but we like the
19 project so much, wanted to support them so much.
20 There's a need for hotels like what they're
21 developing so we wanted to give them all the
22 support we could. Just to tick off the reasons,
23 this is exactly the kind of project we want here,
24 homegrown developers, people who live here, who
25 work here and want to invest here. So it's

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2 exactly the kind of project we wanted in this
3 regard. There are, I hate to play this card, but
4 I know it's an issue in this area, you have to
5 think about the alternate kind of options for
6 land like that and the ways it could be
7 developed, how it's developed. I think that's
8 something everyone especially in this area is
9 sensitive to, that's something that does matter.
10 They're creating jobs here, they're investing in
11 their local community, that's what it's all
12 about, that's why we do what we do trying to
13 create jobs in this area and keep the investment
14 right here. And the spinoff as we educated the
15 village board about the spinoff from money
16 invested with the multiplier, it's a huge impact.

17 MR. PETRO: How many jobs?

18 MR. FIORAVANTI: Now you have 21?

19 MR. GAGLIARDI: Twenty-one permanent and 80
20 construction jobs.

21 MR. FIORAVANTI: Right, so that's nice and
22 something that can continue to grow. And the
23 last thing, I mentioned this at some other public
24 forums for this again we don't typically work on
25 hotels but there's been a great need lately,

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2 we've had a few hotels that have gone off the
3 rolls, have been sold to non-profits. Tourism,
4 the demand for rooms is enormous and will only
5 grow between West Point, Woodbury Commons and it
6 continues to grow with Legoland, that was pretty
7 fortuitous timing with you guys, that worked out
8 pretty well. They're going to be full and the
9 county executive is dedicated and committed to
10 spending more of the bed tax dollars, spending
11 them in tourism where it was limited before
12 tourism. With projects we have coming up I think
13 we're getting catapulted in a whole new
14 stratosphere of tourism, we need the hotels to
15 support it otherwise those dollars are going to
16 go outside the counties. For those reasons and
17 more we couldn't support this more and we
18 certainly urge you to approve it.

19 MR. PETRO: Thank you. There's a sign-in
20 sheet, would you like to say something? We're in
21 the public hearing.

22 MS. RODRIGUEZ: I'm here to listen, I'm just
23 here to listen. I'm the Superintendent of Monroe
24 Woodbury School District.

25 MR. PETRO: We've met before, I think

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2 explaining PILOTS, we never go backwards, we go
3 forwards. Well, obviously, there's no one else
4 to speak, I'll close that portion of the public
5 hearing. We don't take any action here today,
6 obviously, we report back to the board where
7 they're going to read the transcript. You're
8 aware cause we've spoken about it before there's
9 a labor policy that's involved with the IDA,
10 benefits that you have to adhere to and you can
11 get a copy of that, it's pretty self-explanatory.

12 MR. FIORAVANTI: If I can just say that's
13 been in the news, there's a lot of controversy so
14 whatever, and a lot of times it's the actual
15 project folks like yourselves don't necessarily
16 know how to inform. So that's something we all
17 can work together, let's communicate, make sure
18 we have full communication back and forth to let
19 you know if everything is up to snuff, but let's
20 make sure we do that. Again, we all understand
21 that if you're getting these incentives we want
22 to make sure you're complying with all the rules.

23 MR. PETRO: The area's quite large, seven
24 county area and there are exceptions, it's
25 85 percent, it's not prevailing wage. I don't

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think you'll have a problem. Kevin, do you have
anything else?

MR. DOWD: No.

MR. PETRO: I thank everybody for coming,
it's a short public hearing but there's no one
else to speak, no issues at this time. So I'm
going to close the public hearing. Thank you.

(Proceedings concluded at 11:10 a.m.)

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C-E-R-T-I-F-I-C-A-T-I-O-N

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5 I, FRANCES ROTH, a Stenographic Reporter and Notary Public
6 of the State of New York, do hereby certify:

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8 That the foregoing is an accurate record of the testimony,
9 as given, to the best of my knowledge and belief, the same
10 having been stenographically recorded by me and transcribed
11 under my supervision.

12

13 That I am not related to any of the parties involved in
14 this matter, and that I have no personal interest
15 whatsoever in the outcome thereof.

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FRANCES ROTH

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