

ORIGINAL

ORANGE COUNTY INDUSTRIAL AGENCY  
STATE OF NEW YORK

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IN THE MATTER OF

LEENTJES AMUSEMENTS CORP. (D/B/A THE CASTLE)

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The Castle Fun Center Welcome Center  
109 Brookside Avenue  
Chester New York  
April 13, 2016  
1:00 p.m.

B E F O R E: James Petro, Executive Director  
Orange County IDA

FRANCES ROTH  
COURT STENOGRAPHER  
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A P P E A R A N C E S:

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BY: RUSSELL GAENZLE, ESQ.

Laurie Villasuso, Chief Operating Officer, OCIDA

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 MR. PETRO: I'd like to open up the public  
3 hearing. Please stand for the Pledge of  
4 Allegiance.

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

6 MR. PETRO: Welcome everybody. This is a  
7 public hearing. With us today we have Russ  
8 Gaenzle, he's our bond counsel representative,  
9 our attorney is Kevin Dowd, Chief Operating  
10 Officer, Laura Villasuso and I'm Jim Petro, I'm  
11 the Executive Director of the Orange County IDA,  
12 Franny's taking the notes. And obviously, there  
13 would be no action taken today. This is for  
14 information purposes only to report back to the  
15 board and that's the way it goes. So what we'll  
16 do is we'll have the attorney read in the Notice  
17 of Public Hearing and there's a sign-in sheet  
18 here for anybody that needs to sign in.

19 MR. DOWD: Thank you, Mr. Chairman. Notice  
20 of Public Hearing. Notice is hereby given that a  
21 public hearing pursuant to Article 18-A of the  
22 New York General Municipal Law will be held by  
23 the Orange County Industrial Development Agency  
24 on Wednesday, April 13, 2016, at 1:00 p.m. local  
25 time, on the 2st Floor of the Welcome Center at

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 The Castle Fun Center, 109 Brookside Avenue,  
3 Chester, New York 10918, in connection with the  
4 following matter: LEENTJES AMUSEMENTS CORP.

5 (d/b/a) The Castle for itself or on behalf of an  
6 affiliate or affiliates, or an entity formed or  
7 to be formed, has submitted an application to the  
8 Agency requesting the Agency's assistance with  
9 respect to a certain project consisting of: (a)  
10 the acquisition or retention by the Agency of a  
11 leasehold interest in a portion of a parcel of  
12 and located at 109-115 Brookside Avenue in the  
13 Village and Town of Chester, Orange County, New  
14 York and the existing improvements thereon  
15 consisting principally of two 18 hole mini golf  
16 courses, go-cart track, climbing wall, arcade,  
17 batting cages, roller skating rink, laser tag  
18 area, 200 seat restaurant, rock climbing area and  
19 indoor arcade; (B) (i) the removal of the existing  
20 batting cages to make room for new rides and (ii)  
21 the construction on the Land of an approximately  
22 15,000 square foot addition to the existing  
23 building to accommodate new rides, arcade  
24 equipment, inflatable bounces, digital billboards  
25 and related improvements and equipment in

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 furtherance of the Company's existing amusement  
3 park and (C) the acquisition in and around the  
4 Improvements of certain items of equipment,  
5 machinery and other tangible personal property.  
6 The Agency will acquire a leasehold interest in  
7 the Facility and lease the Facility back to the  
8 Company. The Company will operate the Facility  
9 during the term of the lease. At the end of the  
10 lease term, the Agency's leasehold interest will  
11 be terminated. The Agency contemplates that it  
12 will provide financial assistance to the Company  
13 in the form of sales and use tax exemptions, a  
14 mortgage recording tax exemption and a real  
15 property tax abatement, all consistent with the  
16 policies of the Agency unless procedures for  
17 deviation are complied with. A representative of  
18 the Agency will be at the above-stated time and  
19 place to present a copy of the Company's Project  
20 Application and hear and accept written and oral  
21 comments from all persons with views in favor of  
22 or opposed to or otherwise relevant to the  
23 proposed Financial Assistance. Dated: April 1  
24 2016 by Orange County Industrial Development  
25 Agency.

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 MR. PETRO: Can you repeat that?

3 MR. DOWD: Yes, but not now.

4 MR. PETRO: Alright, the company, we have a  
5 representative, Brian, the owner, is here.  
6 Estimated sales tax exemption is \$130,000,  
7 obviously looking for that, mortgage tax may or  
8 may not come into play but could be up to  
9 120,000, property tax abatement for a 10 year  
10 PILOT and this is again on the improvements  
11 certainly it's not on the property, it's not  
12 special district charges, it's on the improvement  
13 only. So that's where that stands. I guess  
14 you're going to create 22 new jobs with this  
15 addition?

16 MR. LEENTJES: Yes.

17 MR. PETRO: And you're retaining the 48 that  
18 are here now, obviously. And about 1.2 million  
19 is the addition?

20 MR. LEENTJES: Yes.

21 MR. PETRO: Okay, your payroll's a lot of  
22 money, almost \$1.6 million on \$6 million of  
23 receipts, so this is a great addition to Orange  
24 County, I think or obviously to Chester. With us  
25 we have the Supervisor of Chester, is that

1 LEENTJES AMUSEMENTS CORP. (d/b/a) THE CASTLE

2 correct?

3 MR. BELL: No, Mayor.

4 MR. PETRO: Mayor and the building  
5 inspector, he looks like he's taking notes  
6 already, Brian, so prepare yourself. And that's  
7 basically it. Do you want to say anything to the  
8 board? This is not a planning board so anything  
9 you want to say about the project?

10 MR. LEENTJES: Not really. I think you guys  
11 know, I know Cliff and Leslie have been at the  
12 planning board meetings so they're pretty well  
13 versed on it, so but we're looking forward to  
14 getting going. I'm starting some preliminary  
15 landscaping with the anticipation that it goes  
16 well.

17 MR. PETRO: We have Amanda from Orange  
18 County Partnership.

19 MS. DANA: This is Larissa Lewis from Orange  
20 County Partnership.

21 MR. PETRO: You're not new, you've been here  
22 a while.

23 MS. LEWIS: Yes.

24 MS. DANA: She heads up the economic  
25 research and development.

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2 MR. PETRO: Brian, you spoke. I'm going to  
3 open it up to the public, somebody from the  
4 public or from the town would like to speak,  
5 raise your hand, be recognized? Mr. Mayor?

6 MR. BELL: Just want to, as far as the tax  
7 abatement, real estate tax abatement or whatever,  
8 I didn't realize that, I thought it was for new  
9 construction type thing, not for additions or so  
10 on and so forth.

11 MR. PETRO: Improvements, so obviously, a--

12 MR. BELL: This is a beautiful facility, no  
13 question about that, you know, we're always  
14 looking for tax dollars and we, I don't know  
15 whether you know in the past we've given PILOTS  
16 to Steris and everything and it's hard on the  
17 villages to exist being the state cuts back on  
18 two percent tax cap and then PILOTS are given,  
19 everything like that, and it's hard for us to  
20 continue on if, you know, we keep on giving  
21 abatements out so on.

22 MR. PETRO: Keep in mind though you have to  
23 realize you're not going backwards, you're not  
24 losing anything, you're going forward 10 percent  
25 more the first year. And it's only on the

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2 improvements, it's not on the land value, not on  
3 special district charges, basically you're moving  
4 forward immediately, you're getting more than you  
5 would now, I don't know about you but 10 years  
6 goes by pretty quick in general.

7 MR. LEENTJES: From my side of it it helps  
8 me make the decision to grow. Without their  
9 assistance, especially on this building when I  
10 originally did the building, it's a struggle to  
11 build in the environment that we have nowadays.  
12 And that boost just makes it work cause there's a  
13 curve to getting your feet on the ground learning  
14 how to run a business, having that tax break  
15 really makes it work. So otherwise, could go out  
16 of business and, you know, so it's a big, big  
17 help.

18 MR. PETRO: Yeah. And again as Laurie just  
19 said, only on the expansion portion. You already  
20 have it on this building.

21 MR. LEENTJES: Yes.

22 MS. VILLASUSO: It's almost done.

23 MR. LEENTJES: Almost.

24 MR. PETRO: Quick, 10 years goes very quick,  
25 as I say, you were in high school a minute ago,

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2 right?

3 MR. LEENTJES: Yeah.

4 MS. DANA: If I can say the addition here  
5 and what they're putting in will increase the  
6 amount of visitors coming into your municipality  
7 twofold.

8 MR. ORR: That only increases the workload  
9 on the village and not directly any tax revenue  
10 that increases police, streets. Okay, where  
11 again, the residential community here is paying  
12 their full share on taxes. We're going to see an  
13 immediate increase on usage of the area but a 10  
14 year workup on taxes on an existing facility the  
15 issue that I think the Mayor was trying to bring  
16 forward is this is an existing building, an  
17 existing business. We're going to give a PILOT  
18 to an expansion, okay, it's not a new business,  
19 we didn't enhance them to come here. So that's  
20 the difficulty we have as a village looking at a  
21 PILOT on an expansion.

22 MR. PETRO: The reverse of that is if they  
23 don't build at all, you don't even get the 10  
24 percent, you don't get the jobs.

25 MR. ORR: We're not going to see the

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2 increase in traffic, okay, you know, and so on so  
3 yeah, that's a great sales ploy you have that  
4 you're not going to see, you're going to get an  
5 increase of nothing, but we're still going to  
6 have an increase in traffic, increase in use of  
7 the village that we're not going to see an  
8 increase of tax revenue. It's a great sales ploy  
9 but it's not realistic.

10 MR. PETRO: I don't think it's a ploy. The  
11 multiplier, what you're thinking about the  
12 multiplier is very real and the people that Brian  
13 brings to the area stop at Burger King, they can  
14 stop in a store, buy a sweater, all those things  
15 are a multiplier effect, it's hard to pinpoint,  
16 you can't say exactly, you know.

17 MR. ORR: It's hard to say if he would cease  
18 existing if he wasn't to have the expansion. I'm  
19 all for Brian, we've had many talks, we work very  
20 well together, okay. As another PILOT that you  
21 gave for an expansion here in the village, okay,  
22 I don't personally, and this is my personal, I  
23 don't personally agree with PILOTS for  
24 expansions. Okay, enhance a business to come to  
25 an area, give them all the PILOT you want cause

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2 it's new, okay, but to give them an expansion, I  
3 personally have a problem.

4 MS. DANA: No matter how many jobs it  
5 creates?

6 MR. ORR: That will bring me to my next  
7 question, 21 jobs, is that full or part time?

8 MR. LEENTJES: It's full time equivalent.

9 MR. ORR: So it's part time jobs that  
10 technically, basically, I know what you employ  
11 which are college, the younger students which is  
12 great by itself. But they're not going to go out  
13 and buy a house, not going to pay taxes, they're  
14 not paying for rent in the area so 21 jobs isn't  
15 a true number until you really hear what it is.

16 MR. PETRO: Okay, everybody can think  
17 differently, that's what makes the world go  
18 around.

19 MR. ORR: I'm all for the sales tax  
20 exemption, I think that's the greatest thing in  
21 the world, especially for an expansion project.  
22 Okay, where he's spending money to enhance his  
23 business I think that's a great avenue for a  
24 program to help the business.

25 MR. PETRO: Brian, what are you presently

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2 paying a year on the building as it sits now in  
3 taxes?

4 MR. LEENTJES: I actually don't know, it's a  
5 lot, I don't know that number.

6 MR. PETRO: I'm going to put that down, a  
7 lot, that's very specific. Okay, anybody else  
8 like to speak for or against or comment? So  
9 basically though as Mayor are you for this  
10 project?

11 MR. BELL: I'm for the project in general  
12 and everything like that I'm for the project on  
13 the overall. I'm kind of against the tax breaks  
14 that we've handed down in the past, stuff like  
15 that. And when you're at the village board  
16 meeting, I think I indicated that also and like I  
17 say, I'm, nothing personal against Brian,  
18 anything like that, his business he's done a  
19 fantastic job here, he's created something with a  
20 piece of property that was worthless, let's put  
21 it that way and he's created a hell of a  
22 business. Not him, the general overall for a  
23 PILOT like we have a hard time existing and we  
24 promote our industrial park, stuff like that  
25 because, you know, that's where our revenues are,

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2 the businesses, the industrial park, stuff like  
3 that. And then when we give them our tax break  
4 you say we get taxes on the land and stuff like  
5 that, we're moving forward but it does cost us  
6 extra money. And these businesses here and  
7 they're for 10 years something like that they  
8 don't contribute.

9 MR. PETRO: It's a partial tax abatement,  
10 sometimes they read PILOT, no taxes for 10 years,  
11 that's not true.

12 MR. BELL: Steris came through and they made  
13 good on their village taxes, they're going to  
14 come whole on that, that's fine. And sales tax,  
15 I'm all for giving a break on sales tax but the  
16 idea of the whole tax break to me it hurts the  
17 villages and towns or whatever. And we're  
18 confined to a two percent tax cap, you know,  
19 we're there, we're getting tax breaks over here  
20 and in the meantime, our workmen's comp is going  
21 up, our insurance is going up, salaries, police  
22 protection going up and you still got to get  
23 money to operate.

24 MR. PETRO: Okay, yes?

25 MR. PATRICK: I believe the village tax

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2 their income is based essentially on property  
3 taxes?

4 MR. BELL: I didn't hear you.

5 MR. PATRICK: The village income is  
6 basically property tax?

7 MR. BELL: Yeah, we, state aid, stuff like  
8 that.

9 MR. PATRICK: But the expenses are to a good  
10 degree based on the amount of usage and services  
11 they provide. So, you know, if the increase in  
12 business doesn't really make any improvements in  
13 the short term in the village's income because  
14 it's based on the property taxes, so they don't  
15 get a share of the usage fees, they don't get a  
16 share of sales tax which would be reflective of  
17 the additional business. So that's like the  
18 building inspector and the mayor have said that's  
19 a big problem I think with this program as it  
20 affects the local municipalities. As far as the  
21 project goes, it's great to see a thriving  
22 business in town.

23 MR. PETRO: Alright, you presently pay  
24 70,000 a year in property tax, not bad for one  
25 guy, right? That's combined.

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2 MS. VILLASUSO: That's the PILOT payment for  
3 last year and 20,000 will be the PILOT payment  
4 for the first of that portion.

5 MR. LEENTJES: That's on one piece of  
6 property.

7 MR. PETRO: Yeah, right, anybody else here?  
8 Amanda, anything? Russ?

9 MR. GAENZLE: No.

10 MR. ORR: Just one more so you have it on  
11 the record. The planning board has completed  
12 SEQRA and he will have a certificate of  
13 resolution on that hopefully by 3:00 today and  
14 they have approved the project with some  
15 conditions which were basically administrative.

16 MR. PETRO: That's helpful because we're  
17 meeting tomorrow.

18 MR. GAENZLE: If I give you my e-mail can  
19 you mail that to me?

20 MR. ORR: Yeah, it will cost you. No,  
21 that's fine.

22 MR. PETRO: He wants a 10 year PILOT.

23 MR. ORR: No, we're not going to hold up on  
24 the process, yeah, we can e-mail that to you.

25 MR. PETRO: Alright, very good, I think I'm

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2 going to close the public hearing. What we're  
3 going to do is report back to the board,  
4 tomorrow is our meeting, you're on the agenda for  
5 the final resolution. I don't see any  
6 difficulties. And we hear what you say and we  
7 understand all that. Of course it's our job to  
8 try to do both, we want to make you happy and  
9 make sure that the people reside in Orange County  
10 somewhere, so we're just trying to do the best  
11 that we can that we're tasked with.

12 MS. SMITH: Can I just ask a question?  
13 Where is your authority to grant these?

14 MR. PETRO: Where does it come from? From  
15 New York State.

16 MS. SMITH: It's a New York State program?

17 MR. PETRO: Yes, and always remember also  
18 that in New York State it's also granted from New  
19 York State, doesn't need the IDA to get a 485-b  
20 exemption which is 27.5 percent. The 10 year  
21 does double that 55 percent, but we could not  
22 tell him he can't do that and it's free, it's  
23 from the state, anybody can do that. So it's not  
24 always as bad as it may sound because they're  
25 entitled to a 485-b no matter what.

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2 MS. SMITH: No, I get it.

3 MR. PETRO: I think that's it. Thank you  
4 for coming.

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7 (Proceedings concluded at 1:35 p.m.)

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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

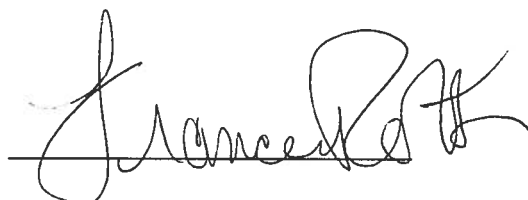
13 That I am not related to any of the parties involved in  
14 this matter, and that I have no personal interest  
15 whatsoever in the outcome thereof.

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FRANCES ROTH

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