

1 THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
2 STATE OF NEW YORK

-----x

3 In The Matter of

4 Re: ORANGE INN, LLC

5 -----x

6 Virtual Hearing  
7 December 8, 2020  
8 10:00 a.m.  
9  
10  
11

12 B E F O R E: KEVIN DOWD, ESQ.  
13 IDA ATTORNEY  
14  
15  
16  
17  
18  
19  
20  
21

22 FRANCES ROTH  
23 Court Stenographer  
24 168 North Drury Lane  
25 Newburgh, New York 12550  
Telephone (845) 566-1641

1

## 2 A P P E A R A N C E S:

3

4 LAW OFFICES OF KEVIN T. DOWD  
Attorney for IDA  
5 46 Daisy Lane  
Montgomery, New York 12549

6

7 Kelly Reilly  
Client Services Specialist, OCIDA

8

9 Melanie Schouten  
IDA Chief Operating Officer

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

## ORANGE INN, LLC

1 MS. SCHOUTEN: Okay, so we're going to  
2 start. Kevin, go ahead, you can open the public  
3 hearing.

4 MR. DOWD: Morning everyone, my name is  
5 Kevin Dowd. I am the local counsel for the  
6 Orange County Industrial Development Agency and  
7 I'll be conducting this public hearing today.  
8 With me today are Melanie Schouten, our Chief  
9 Operating Officer, Kelly Reilly, our project  
10 manager, Fran Roth is our stenographer, and we  
11 also have the applicant here, Mr. Luigi Kapiti.  
12 This is the first time that the IDA is conducting  
13 a public hearing via Zoom so please bear with us,  
14 everyone will have the opportunity to speak when  
15 asked to speak and given that opportunity we will  
16 certainly try to get everyone's questions in and  
17 hopefully some answers. So the way we're going  
18 to proceed today is I'm going to read the public  
19 notice and because of the Covid restrictions the  
20 public hearing notice is a little longer so  
21 please be patient while I read it to you and then  
22 we're going to ask the applicant for a brief, and  
23 I will ask Mr. Luigi Kapiti to please make it  
24 brief summary of the project and then we can open  
25 up for questions and comments. So with that

## ORANGE INN, LLC

1 being said, I will read the notice of public  
2 hearing. Notice is hereby given that a public  
3 hearing pursuant to Article 18-A of the New York  
4 General Municipal Law will be held by the Orange  
5 County Industrial Development Agency on Tuesday,  
6 December 8, 2020 at 10:00 a.m. local time via  
7 Zoom video conference in connection with the  
8 matter described below. Please note the special  
9 public hearing logistics and instructions  
10 included at the end of this notice. Orange Inn,  
11 LLC, a New York limited liability company for  
12 itself or on behalf of an entity formed or to be  
13 formed has submitted an application to the Agency  
14 requesting the Agency's assistance with a certain  
15 project consisting of: (A) The acquisition by  
16 the Agency of a leasehold interest in an  
17 approximately .23-acre parcel of land known as  
18 159-167 Main Street in the Village and Town of  
19 Goshen, Orange County, New York together with the  
20 existing vacant approximately 23,500 square foot  
21 18th century inn thereon; (B) The renovation and  
22 modernization of the Existing Improvements into a  
23 modern hotel, restaurant and small convention  
24 center; and (C) The acquisition and installation  
25 in, on or around the Improvements of various

## ORANGE INN, LLC

1 machinery, equipment and personal property. The  
2 Agency will acquire a leasehold interest in the  
3 Facility and lease the Facility back to the  
4 Company. The Company will operate the Facility  
5 during the term of the lease. At the end of the  
6 lease term, the Agency's leasehold interest will  
7 be terminated. The Agency contemplates that it  
8 will provide financial assistance to the Company  
9 in the form of sales and use tax exemptions, a  
10 real property tax abatement and if necessary a  
11 mortgage recording tax exemption all consistent  
12 with the policies of the Agency. Please note  
13 special public hearing conduct instructions and  
14 information. In accordance with Section 859-a of  
15 the Act, a representative of the Agency will be  
16 at the above-stated time and place to present a  
17 copy of the Company's project Application  
18 including a cost benefit analysis which is also  
19 available for viewing on the Agency's website at  
20 [www.ocnyida.com/active-projects/](http://www.ocnyida.com/active-projects/). However, given  
21 the Covid 19 public health crisis and related  
22 Executive Orders issued by Governor Andrew M.  
23 Cuomo, the Agency will not be able to accommodate  
24 in-person public attendance or participation at  
25 this hearing. Nonetheless, and in furtherance of

## ORANGE INN, LLC

1 the provisions of Section 859-a of the Act  
2 requiring interested parties be provided a  
3 reasonable opportunity, both orally and in  
4 writing, to present their views with respect to  
5 the Project, the Agency will broadcast the Public  
6 Hearing live on a video conference and the Zoom  
7 address is there, with written comments accepted  
8 on that platform in real time. In addition, the  
9 Agency will provide the public access to provide  
10 oral comments in real time via conference bridge  
11 at telephone number 1-646-558-8656, meeting ID  
12 number 947 1827 6766 no passcode required.  
13 Finally, interested parties may submit written  
14 comments to the Agency, which will all be  
15 included within the public hearing record. Any  
16 written comments may be sent to Orange County  
17 Industrial Development Agency, attention Melanie  
18 Schouten, COO, 4 Crotty Lane, Suite 100, New  
19 Windsor, New York 12553 and/or via email at  
20 business@ocnyida.com with the subject line being  
21 Re: Orange Inn, LLC, no later than Monday,  
22 December 7, 2020. Dated: November 24, 2020, by  
23 the Orange County Industrial Development Agency.  
24 Okay, so what we're going to start with I'm going  
25 to ask Mr. Kapiti as the president of Orange Inn,

## ORANGE INN, LLC

1 LLC to please give a brief description of his  
2 project.

3 MR. KAPITI: Hi, good morning, my name is  
4 Luigi Kapiti, the owner of the Orange Inn. And  
5 my goal here is to bring this historical building  
6 into a boutique, high end boutique hotel and to  
7 create new jobs. And what else? Very simple,  
8 very simple.

9 MR. DOWD: That's about as simple as it  
10 gets, that's good, nothing else you want to add?  
11 Anything the public should know?

12 MR. KAPITI: Oh, no. Do you have any  
13 questions for me?

14 MR. DOWD: What I'm going to do, Mr. Kapiti,  
15 is I'm going to summarize for the public your  
16 application. So you state that the total capital  
17 costs are \$3.3 million, \$1 million of that is  
18 towards equipment, \$90,000 is for soft costs like  
19 architectural and engineering, 2.21 million is  
20 for construction. So you're asking for a sales  
21 tax exemption on equipment which would come to a  
22 savings to you of about \$81,250. I would note in  
23 your application, Mr. Kapiti, maybe you can  
24 answer this question whether you are seeking a  
25 sales tax exemption on the construction costs as

## ORANGE INN, LLC

1 well because that's not in your application?

2 MR. KAPITI: Yes.

3 MR. DOWD: Okay, so what you'll need to do  
4 is you're going to need to amend your application  
5 by a simple letter asking that that sales tax be  
6 extended but in anticipation of your answer of  
7 yes, I figured that the savings on construction  
8 on a \$2.21 million project would be approximately  
9 \$179,562. At this time, you're not requesting  
10 any mortgage recording tax exemption. You are  
11 asking for a Payment in Lieu Of Tax agreement for  
12 real estate tax abatement and basically the IDA  
13 can consider three different kinds of Pilot  
14 agreements for you. So based upon information we  
15 got from real property tax in Orange County and  
16 based solely upon the cost of the improvements  
17 you're going to be making if you had a four year  
18 Pilot your total savings would be \$172,640, the  
19 total taxes you would pay including fire district  
20 taxes would be \$243,383, if you were, if the IDA  
21 were to grant you a ten year PILOT, your total  
22 savings would be \$441,638, and the total taxes  
23 you would pay would be \$474,613. And the last  
24 option is a ten year 485-b equivalent, if you  
25 were to be given that by the IDA, you would have



## ORANGE INN, LLC

1 a total savings of \$120,819 and total taxes paid  
2 of 694,432. Also, based upon your application  
3 you are intending to save up to 22 jobs, eight  
4 full time and 14 part time, and within three  
5 years of completion of the project you're  
6 projecting to increase the number of jobs by 24  
7 which would be ten full time equivalent and 14  
8 part time equivalent. Has anything I said to  
9 you, Mr. Kapiti, not correct?

10 MR. KAPITI: No, everything's correct, sir.

11 MR. DOWD: Very good, thank you. At this  
12 point, I'd be very happy to open this up to any  
13 questions or comments from the public? And  
14 Melanie, you control this.

15 MS. SCHOUTEN: If anyone has a question or a  
16 comment you're welcome to either type one into  
17 the chat and we can unmute you or you can type in  
18 your question but either way please we ask that  
19 you state your name. Give it a minute. Okay,  
20 Dean, can you please unmute Miss Dana and let me  
21 know once you've done so?

22 MR. BRADY: Yup, one second, just going to  
23 take me a second.

24 MS. DANA: Hi, can you guys hear me?

25 MS. SCHOUTEN: Hello Amanda, yes.

## ORANGE INN, LLC

1 MS. DANA: Okay, thank you. Thank you for  
2 the opportunity to speak. I'm Amanda Dana,  
3 Director of Tourism and Film for Orange County.  
4 I just want to go on record as saying I'm very  
5 supportive of this project. This is a much  
6 needed project especially in the Village of  
7 Goshen. We are very limited as to our lodging  
8 options in Goshen with Goshen growing as much as  
9 it is as well as this is a great establishment  
10 that's following all the guidelines that we need  
11 to be followed and keeping the charm of Goshen in  
12 mind is at the top of their mind I should say.  
13 So on behalf of Orange County Tourism we are very  
14 much in favor of this project, it truly has a  
15 great economic impact for the village and town  
16 and county and I just want to say I'm very  
17 supportive of it and look forward to hopefully  
18 working out some type of an incentive package for  
19 them so they can operate. Thank you.

20 MR. DOWD: Thank you, Amanda.

21 MR. KAPITI: Thank you so much, thank you.

22 MS. SCHOUTEN: Dean, you can go ahead and  
23 unmute Mr. Torelli. Hi, Mike, we can hear you.

24 MR. TORELLI: Good morning. Can everyone  
25 hear me?

## ORANGE INN, LLC

1 MS. SCHOUTEN: Yes.

2 MR. TORELLI: Perfect. My name is Michael  
3 Torelli, I'm a resident of the Village of Goshen,  
4 I'm also on the Village of Goshen Planning Board  
5 and a founding member of the Goshen Joint  
6 Economic Development Initiative. I'd like to  
7 lend my support for this project. This is  
8 exactly the type of project that we hope the IDA  
9 can help incentivize. This type of investment in  
10 a building and the adaptive reuse and renovation  
11 of it will be second to none and will be a major  
12 asset not only for the Village if it's allowed to  
13 receive these benefits but for the entire county.  
14 Literally we are at the crossroads of the  
15 northeast and I can't think of a better project  
16 on an existing building that's going to be reused  
17 than something like this. I'll have to admit I  
18 live literally only a block and a half away and I  
19 pass it every single day and I really look  
20 forward to it. I know that as a member of the  
21 planning board we vigorously looked at this with  
22 their engineers and consultants and I know that  
23 our planning board and our consultants really  
24 worked with the applicant on this and we believe  
25 it's a true gem to be renovated and we would

## ORANGE INN, LLC

1 thank Mr. Luigi for the potential for this major  
2 investment in our village. Thank you.

3 MS. SCHOUTEN: Thank you.

4 MR. KAPITI: Thank you also, Mike, thank you  
5 so much.

6 MS. SCHOUTEN: Also, Bill Fioravanti, Orange  
7 County Economic Developer would also like to lend  
8 his support. He says that you've made this  
9 facility an institution in Goshen and in Orange  
10 County and the hotel would enhance the growing  
11 tourism offerings at a time when we need to  
12 continually add to this draw and the critical  
13 revenues that it will help to produce. And we  
14 are also in need for additional conference venues  
15 which this will also provide. With that said,  
16 their proposed project is nothing short of  
17 courageous in this current business environment  
18 created by Covid and this is why they need our  
19 support through economic incentives like this.  
20 The other two are listeners, I don't believe they  
21 can jump on right now so with that I don't, I  
22 believe we're good in terms of comments.

23 MR. DOWD: Anything else? Okay, it is  
24 10:14, should we wait another minute to see if  
25 anyone wants to join?

## ORANGE INN, LLC

1 MS. SCHOUTEN: No.

2 MR. DOWD: We can close the public hearing  
3 but given that we're doing this for the first  
4 time I'm reluctant to do it so fast.

5 MS. SCHOUTEN: No one additional has joined  
6 in the last 14 minutes, anyone who joined  
7 originally and anyone that's able to verbally  
8 communicate has already done so.

9 MR. DOWD: Okay, with that being said, there  
10 being no further comments or questions, I will  
11 declare the public hearing closed. Fran will be  
12 transcribing the minutes for this hearing, the  
13 board members will get to review all the comments  
14 as well as the information. Also, this is going  
15 to be on our website, correct?

16 MS. SCHOUTEN: Correct, we're going to post  
17 it later today.

18 MR. DOWD: And then Mr. Kapiti, the IDA  
19 board will take up your application for a final  
20 resolution, I don't know if they're going to do  
21 it--

22 MS. SCHOUTEN: January.

23 MR. DOWD: Yeah, not until January, they  
24 have to get the public hearing minutes, be able  
25 to view everything and their next meeting is

## ORANGE INN, LLC

1 Thursday, and that's not going to happen I don't  
2 think that quickly so we'll see you probably in  
3 January, okay? Okay, with that being said--

4 MR. KAPITI: Thank you so much.

5 MR. DOWD: Thank you, sir. Okay, that's it.

6  
7  
8  
9  
10  
11 (Proceedings concluded at 10:14 a.m.)  
12

13 \*\*\*\*\*  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

1

2

3

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

4

5

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

7

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

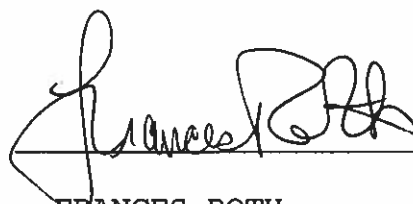
15

whatsoever in the outcome thereof.

16

17

18

A handwritten signature in cursive script, appearing to read "Frances Roth", written over a horizontal line.

19

FRANCES ROTH

20

21

22

23

24

25