

ORIGINAL

ORANGE COUNTY INDUSTRIAL AGENCY
STATE OF NEW YORK

-----X

IN THE MATTER OF
CHURCH HILL PROPERTIES

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11:00 a.m.
Tuesday, July 10, 2018

Senior Center
15 Drew Avenue
Highland Falls, New York

B E F O R E : KEVIN T. DOWD, ESQ.
46 Daisy Lane
Montgomery, New York 12549

KELLY REILLY, PROJECT MANAGER OCIDA

A L S O P R E S E N T:

JAMES DISALVO, BOARD MEMBER

REPORTED BY: ROBERTA O'ROURKE

FRANCES ROTH
COURT STENOGRAPHER
168 North Drury Lane, Newburgh, New York 12550
(845) 566-1641

Church Hill Properties

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2 MR. DOWD: Ladies and gentlemen, I
3 would ask you to stand for the pledge of
4 allegiance, please.

5 (Whereupon, the pledge of allegiance
6 was said.)

7 MR. DOWD: My name is Kevin Dowd, I am
8 local counsel to the Orange County Industrial
9 Development Agency.

10 To my left is Kelly Reilly, one of the
11 administrative staff members.

12 In our audience is James DiSalvo, one
13 of our board members.

14 Roberta is going to record everything
15 that's said today and prepare a transcript
16 that will be read by all the board members of
17 the IDA.

18 I'm going to begin right now by
19 reading the Notice of Public Hearing and
20 we'll follow from there.

21 Notice is hereby given that a public
22 hearing pursuant to Article 18-A of the New
23 York General Municipal Law will be held by
24 the Orange County Industrial Agency on
25 Tuesday July 10th, 2018 at 11:00 a.m. local

time, at the Senior Center, 15 Drew Avenue,
Highland Falls, New York 10928, in connection
with the following matter:

Churchill Properties of Highland
Falls, New York, LLC, for itself or on behalf
of an entity formed or to be formed, has
submitted an application to the Agency
requesting the Agency's assistance with a
certain project consisting of (i) the
acquisition by the Agency of a leasehold or
other interest in approximately 5.4-acre
parcel of land located at 1610 Highway 9W in
the Village of Highland Falls, Town of
Highlands, Orange County, New York, (ii) the
construction on the land by the Company, as
agent of the Agency, of an approximately
99,000 square-foot 122-room full service
hotel offering two adjoining banquet rooms,
four large meeting rooms, a 135 seat
three-meal fine dining restaurant and lounges
in the lobby and atrium, together with
landscaping and various site improvements;
and (iii) the acquisition in and around the
Improvements of certain items of machinery,

equipment and other tangible personal property.

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 terms 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 exemption and a real property tax abatement, all consistent with the policies of the Agency.

A representative of the Agency will be at the above-stated time and place to present a copy of the Company's Project Application and hear and accept written and oral comments from all persons with views in favor of or opposed to or otherwise relevant to the proposed Financial Assistance.

Dated June 22nd, 2018 by the Orange County Industrial Development Agency.

For the record, I've been handed a set of documents by the applicants which we are going to make part of the record, I'm going to give to the stenographer just so you have it.

I'm going to ask the applicant to come forward and make a very brief presentation after which I will open it up to any public comments by anyone in the audience and we'll go from there.

MR. FRANKEL: Good morning, everyone. My name is Charles Frankel, I am an attorney with Rider, Weiner & Frankel in New Windsor and I represent the applicant as Mr. Dowd pointed out.

The project has been under consideration for some time and now my client is prepared to go forward. I'll introduce him, this is Kenneth Fleisher, he is a principal with the company that wants to build the hotel and he's going to give you a little bit more information and detail.

So, Ken.

MR. FLEISHER: Thanks, Charles. Good

morning, thanks for coming out today.

I'm going to tell you a little bit about the hotel that we are contemplating. I apologize that I'm not able to project but perhaps we can just circulate this among you.

What we want to do is build a premium full service hotel and what that means is we are going to build a structure into the hill at 9W over Mearns Avenue.

The first level will be built into the side of the hill. You'll enter at the second level from the parking lot or from 9W and then there will be three levels above that. The ground level will be where we have all of the entertainment space, the banquet rooms, the wine cellar and the kitchen.

At the entry level or first level is where you would come in to the typical lobby reception, there we'll have the restaurant, two private dining rooms, two meeting rooms and a lounge.

We'll have a double height of 24-foot atrium as you enter. The entrance will be facing east so you'll get the Hudson Valley

view.

At the second level we'll have an atrium lounge that overlooks the double height space and we'll begin to have our rooms which will predominantly be located on the third and a fourth floor.

The final element of programming for the hotel will be a rooftop lounge and solarium that will allow us to maximize the experience of the Hudson River Valley.

Our timeline is to finalize financing in the fall so that we can be shovels in the dirt in the spring, right? The spring of '19 with a grand opening in the summer of 2020.

The project not only brings employment during the construction period roughly two to 300 full time equivalents for a 14 to 16 month build, but it also brings about 110 to 120 full time positions with the hotel operations.

Those are split roughly 25 professional and management positions and right around 90 of the staff that moves all the way from the room staff, restaurant staff

and bellhops associated with the premium hotel.

What we are attempting to accomplish with this approach is to address what we believe are three underserved needs. One is there is no premium level hotel lodging in the Mid-Hudson Valley east of the Hudson or west of the Hudson. So there's a significant segment of the traveling community that is not being served. Despite the fact that this region is the third most visited destination in upstate New York.

The second opportunity is the fact that there is limited bed space to support the demand generated by the academy as well as today's brides who travel to this area, and we'd like to address that.

Finally, there's limited fine dining on the west side of the Hudson and we believe that the restaurant at the hotel will address that.

As such in addition to jobs we believe that the hotel will attract visitors to the area and it's our intention to present the

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2 area with farm to table restaurant offerings
3 with support from local breweries and
4 wineries. And then we will also intend to
5 organize a farmers market during the season.

6 So the reason that we have applied,
7 the reason that we think you'd want to
8 support this request is the amount of jobs
9 that are being created, as well as the
10 ability to draw visitors into the area.

11 Thanks for the opportunity to share
12 our program. As the presentation circulates,
13 if it generates some questions we're here to
14 answer them.

15 THE AUDIENCE: Can we ask questions?

16 MR. DOWD: I will be very happy to
17 hear your questions.

18 As Ken said the application calls for
19 115 to 120 full time employees within three
20 years of project completion and three
21 part-time employees.

22 Their total capital costs are about 39
23 and a half million dollars. The IDA is
24 considering giving them a sales tax exemption
25 equivalent of about \$1.38 million, that's for

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2 the construction and the equipment and
3 fixtures. Mortgage recording tax of
4 \$325,500, and a 10 year pilot which would
5 have savings to the applicant of about
6 approximately \$3.986 million.

7 And with that information I will
8 gladly open to questions.

9 MS. MURPHY: My real name is Barbara
10 Murphy, Charlie.

11 Well, my first question was what is
12 the cost and you answered that with 39 and a
13 half million.

14 MR. FLEISHER: That's our current, our
15 current budget.

16 MS. MURPHY: When you were -- well,
17 and you don't have the financing in place at
18 this time?

19 MR. FLEISHER: We have two committed
20 lenders and we're closing the equity gap.

21 MS. MURPHY: Isn't the equity usually
22 easier than closing the other gap?

23 MR. FLEISHER: No, it really depends
24 on the project itself. In this case we've
25 got two lenders who are very interested in

the project because of its nature and they are looking to us to close the gap.

MS. MURPHY: But they won't sign until you close that gap?

MR. FLEISHER: Yes. You're pushing the string up the hill from both sides.

MS. MURPHY: This may be putting the cart a little bit before the horse, but you talked about all of the various needs and I would agree with those. But within your business plan what kind of money are you dedicating to publicity and marketing?

MR. FLEISHER: Well over a million five a year in the operating budget, as well as an equivalent budget during the pre-opening period.

MS. MURPHY: I'll let other people ask questions.

MR. DOWD: I'm going to ask again all members of the public at least address the chair.

Really this public hearing is on the IDA benefits. If you have some peripheral questions I'm sure Ken will be happy to

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2 answer them. But if you have any questions
3 about what we are here for, which is the
4 benefit of the package that the IDA is
5 contemplating, that's really what we are here
6 for today.

7 So Mr. D'Onofrio.

8 MR. D'ONOFRIO: Joe D'Onofrio.
9 Charlie touched on something I was going to
10 bring up, so I guess I don't understand why
11 the IDA is entertaining this when they don't
12 have the financing. I, for a couple of
13 years, literally maybe more than a couple of
14 years, have been hearing about the financing
15 not being available. It was said down in my
16 office by them not long ago. There were
17 other people in the room. So if they don't
18 have the financing I'm not sure why we're
19 contemplating this at the moment.

20 Number two, forgiving the sales tax
21 you said it was over 1 million --

22 MR. DOWD: \$1.38 million.

23 MR. D'ONOFRIO: I would like, I don't
24 know who these folks know, but I'm not sure
25 if anyone else knows our situation here, and

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2 I'm not going to go into the situation, when
3 I say situation here these folks know what
4 I'm talking about, okay, we're strapped,
5 okay? Other communities can make that claim
6 but you have to know us to know that that
7 really fits us.

8 I would like to see the sales tax
9 money, our portion that would go to the
10 county -- instead of it going to the county,
11 whatever our portion is, I would like that to
12 come here. I'm not asking for the million,
13 I'm asking for whatever share is ours IE
14 through the County's calculation that we
15 receive that sales tax.

16 MR. DOWD: Okay.

17 MR. D'ONOFRIO: Please consider that.

18 MR. DOWD: Okay.

19 MR. D'ONOFRIO: I'm just hearing for
20 the first time, maybe my fault, I'll address
21 this to you but that the bottom floor, first
22 floor is going to be built into the side of
23 the mountain, that's the first I'm hearing
24 that. So that raises questions that I'll
25 have to take care of after this meeting.

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MR. DOWD: Okay.

MR. D'ONOFRIO: I would like you to explain to the folks because I had to have it explained to me --

MR. DOWD: Sure.

MR. D'ONOFRIO: -- forgiving the taxes or whatever you call it.

MR. DOWD: Tax abatement.

MR. D'ONOFRIO: Tax abatement. What it means -- not what it means, but we will receive year one? It's a 10 year program?

MR. DOWD: Yes, 10 year program.

MR. D'ONOFRIO: So we will receive year one what we are getting right now?

MR. DOWD: Right.

MR. D'ONOFRIO: Each year it goes up a little?

MR. DOWD: Right, there's no reduction. The land values are not taxed. I mean whatever they're taxed at now they are going to be taxed at going forward.

You're not going to lose any tax that you presently get. It's only the abatement is on the improvements to the property. So

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2 that's over a 10 year period that 10 percent
3 a year the taxes will rise till you get to
4 that final assessment number and that final
5 tax number.

6 So that's the incentive that we are
7 trying to, that we are offering, and we have
8 offered to other hotels in Orange County and
9 that they are asking us to consider as well.

10 MR. D'ONOFRIO: Just let me finish up.
11 And what is the projected savings to them
12 through the taxes?

13 MR. DOWD: For the pilot, 10 year
14 pilot, would be \$3.986 million.

15 MR. D'ONOFRIO: Almost \$4 million?

16 MR. DOWD: Right.

17 MR. D'ONOFRIO: So I relate that to
18 the sales tax, we should get our share of the
19 sales tax please.

20 MR. DOWD: Okay.

21 MR. D'ONOFRIO: Please consider that.

22 MR. DOWD: Okay.

23 Mr. DiSalvo?

24 MR. DiSALVO: I wanted to add to the
25 comment that that excludes sewer and water

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2 and fire district. No, they're not in the
3 fire district. And ambulance district.

4 MR. DOWD: Right, any special district
5 taxes are not involved with the pilot at all.
6 You get whatever your tax requirement is for
7 those districts.

8 Yes, sir.

9 MR. CALACICCO: Michael Calacicco.
10 This project still has to go through the
11 planning board, zoning board and other things
12 before it gets through that, I think, so that
13 addresses your issue.

14 MR. DOWD: I don't believe that's
15 correct, sir, I think they have all of their
16 land use approvals.

17 MR. FLEISHER: Yes.

18 MR. CALACICCO: Never mind.

19 MR. DOWD: Yes, sir.

20 MR. MCCARTHY: Yes, Jack McCarthy, 55
21 Mearns Avenue. What will happen in two years
22 from now or three years from now and this
23 hotel doesn't make it with this tax, do they
24 still got to give it to us for the next 10
25 years?

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2 MR. DOWD: No. If the project fails
3 or they in any way default on our agreement
4 with them the pilot is canceled and it goes
5 on full assessment from that time on.

6 So, in other words, and we've had this
7 happen on other projects throughout the
8 county especially when bad economic times
9 hit, if we have to cancel because they aren't
10 paying the pilot on time or they're not
11 paying them at all, they fall behind in
12 taxes, they get into foreclosure proceedings
13 with their banks, we have the right to cancel
14 the agreements and put it back on the tax
15 roles.

16 MR. DiSALVO: Full.

17 MR. DOWD: Full assessed value.

18 MR. MCCARTHY: Okay, thank you.

19 MR. D'ONOFRIO: I'm sorry, so two
20 years in it's still being built, whatever,
21 but it folds, you as you're the lease
22 owner --

23 MR. DOWD: Yes, they lease the
24 property to us and we lease it back to them
25 as our agent.

MR. D'ONOFRIO: Whose responsibility is this empty shell up there if it happens?

MR. DOWD: The developer has all responsibilities, the IDA does not have the responsibility. And those agreements indemnify and hold harmless the IDA and they have full responsibility to do whatever has to be done with that site.

MR. D'ONOFRIO: So I still think, it's a repeat, I still think we are putting the cart before the horse when we are entertaining this with no financing.

MR. DOWD: Well, the IDA will not close necessarily on the benefits until we are told and they show us they have the financing.

MR. DiSALVO: They will show it.

MR. DOWD: Yes.

MR. D'ONOFRIO: Will you share that?

MR. DOWD: We have no problem doing that, no. Once they give it to us it's a public document under FOIL, we have no problem with doing that.

Yes, ma'am.

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2 MS. MURPHY: Charlie Murphy again. We
3 did have a previous owner of this project go
4 to the IDA for an agreement, that agreement
5 ended up being extended to 11 years I
6 believe, nothing ever happened. There were a
7 couple what I would call disingenuous
8 representations by the previous owners to the
9 village board.

10 Is it possible within the new
11 agreement going forward to make it date
12 specific? If they are going to be open in
13 2020 can the tax abatement start in 1919 when
14 they are under development and irrespective
15 of where they are in five years, if they're
16 not completed, the clock is still ticking? I
17 don't want to see another six year hiatus.

18 MR. DOWD: Right, okay, so first of
19 all let's talk about the previous
20 application. The IDA after about I think it
21 was about four or five years where there was
22 back and forth and everything was sort of
23 changing about the project and about the
24 financing, about everything, we canceled and
25 annulled that, any approvals of that first

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2 agreement. This is now a reapplication, its
3 new partners, some new partners involved, so
4 we are looking at this fresh again.

5 Almost every project is going to have
6 a construction period and in that
7 construction period you still abate the taxes
8 because you don't want them to basically
9 start the process of almost overtaxing before
10 the project is even up and running, it would
11 be defeating the purpose of it.

12 But the agreement does not get
13 extended unless the IDA extends the
14 agreement.

15 So, for instance, again you are
16 talking about they get two years into the
17 construction and they have problems with the
18 bank and everything stops, then everything is
19 going to stop from the IDA's point of view as
20 well.

21 We have an obligation to protect the
22 coffers of our ultimate beneficiaries, the
23 town and county tax papers. We also have our
24 own guidance by the authority budget office
25 and state comptroller and we've been very

1 diligent now in trying to make sure that we
2 do not let projects extend unnecessarily
3 long, that we make sure and we are trying to
4 make even better care that all of the taxes,
5 all of the pilot payments are made on time.
6 We have canceled several projects and the
7 pilots because of the untimeliness and other
8 things like that. So we do monitor this
9 project all through the process.
10

11 MS. MURPHY: So to clarify if, for
12 instance, in 2021 the project is three
13 quarters built but doesn't go forward the
14 value of the project in the fourth year will
15 be assessed at full value?

16 MR. DOWD: If the IDA decides that the
17 project is not doing what it was intended to
18 do and the benefits are not going to be
19 reaped by the project failing we will cancel
20 everything. And whatever improvements are on
21 that land will be the subject to full
22 taxation by the assessors of Highland Falls
23 and Town of Highland.

24 MR. LOUCKS: I am Greg Loucks, may I
25 address Charlie's question?

MR. DOWD: Sure.

MR. LOUCKS: This will be a fully bonded project. So in the event of any kind of a default there will be a bond in place which will enable it to be finished, all right? And, in fact, we won't probably even use a surety bond, we will use something called subguard which enables us to more quickly not wait on a surety.

MS. MURPHY: What about the letter of credit? We did have that little dicey question.

MR. LOUCKS: For all of those who may not be aware there is a developer's agreement signed with the village which requires these guys, there's two components to it, one is the off-site improvements. So if you're not aware not only are they building a hotel but they are also putting in, they are improving all that storm water that comes off that hill and goes down to Mearns, we are going to correct that. So it's been fully engineered by a civil engineer.

We are coming down the hill, we are

1
2 diverting storm water running them into new
3 catch basins, going all the way down towards
4 Roe Park essentially with a new storm water
5 management system. So that will be in
6 addition to a bond there will be a cash
7 value, letter of credit that establishes and
8 protects the village's interests for the cost
9 of that off-site work.

10 So in the event -- in fact the
11 developers' agreement only allows -- does not
12 allow us rather to start any on-site work
13 until the off-site improvements have been
14 completed, inspected and accepted by the
15 village.

16 The other part of the letter of credit
17 is for on-site improvements. Because there's
18 so much water that comes off that ridge in
19 the mountain up on the side it's coming onto
20 that site, so we essentially have a very
21 expensive retention system. There's no
22 retention ponds.

23 If you would go to a typical
24 construction site you'll see big ponds
25 everywhere, as all the storm water off of

1
2 impervious surfaces will be bringing directly
3 into there.

4 In this case we are doing subterranean
5 underneath the parking lot for the most part,
6 baffled systems of reservoirs that slow the
7 water down, retain the water in accordance
8 with 100 year storm data, so on and so forth,
9 and eventually moves it down to Roe Park
10 where it's distributed.

11 Does that help answer the question?

12 To the bond it is a fully bonded job
13 and our project budget entertains and
14 provides for the cost of the bond.

15 MR. MCCARTHY: Those filters --

16 MR. DOWD: Sir, excuse me, please, she
17 takes everything down. Can I have your name
18 again please?

19 MR. MCCARTHY: John McCarthy on Mearns
20 Avenue, I live right below that.

21 They have to be maintained. What
22 she's saying is what happens if this falls
23 through, I mean how is it going to be
24 maintained if there's nobody up there?

25 MR. LOUCKS: I mean I think that's a

1
2 good question frankly. In the event that the
3 hotel will get built, get your financing, the
4 hotel is going to get built. We've done an
5 analysis, a market analysis, to make sure the
6 market will support this, right? If not you
7 wouldn't have entertained building this
8 building in the first place.

9 Sir, it's a good question what happens
10 if everything just falls apart. You got this
11 big building, you have a system that's being
12 retained, how long will it take for it to
13 fall apart? I don't know the answer to that.
14 I can talk to our civil engineer. Mike
15 Cartolsi (phonetic spelling), he could
16 probably tell you as much as anything else.
17 It's a very simple baffled system. The only
18 problem you will probably hear about will be
19 sediment getting in there and maybe blocking
20 one of your outlets. I don't think that
21 would happen, you could probably run it for
22 15 years before anything like that would
23 happen.

24 MR. McCARTHY: It's something that has
25 to be maintained, I know about them, you

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know.

MR. LOUCKS: I agree, sir.

MR. FLEISHER: Can I make a comment?

MR. DOWD: Sure.

MR. FLEISHER: In the event that the project halts we have put up a million dollars standby letter of credit that the town can call on immediately upon that default to do whatever work needs to be done to mitigate whatever situation they have.

MR. D'ONOFRIO: I want to correct that, the village.

MR. DOWD: Wait, Mr. Mayor, please wait a minute.

MR. D'ONOFRIO: That's inaccurate.

MR. DOWD: She's typing.

MR. FLEISHER: It is inaccurate, I said the wrong thing, the letter of credit is to the benefit of the Village of Highland Falls.

MR. DOWD: Yes, sir?

MR. SMITH: My name is Frank Smith. My question has to do with the manpower. I'm excited by the idea of having 115 to 120 jobs

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2 in this little village, it will have a huge
3 impact. How do you assure over that 10 year
4 period that we get the jobs that are being
5 promised now?

6 MR. DOWD: Well, again every year we
7 send out an audit letter, because we have to
8 do it for the state, asking every project
9 that we have to give us the information and
10 to verify the employment numbers.

11 So, in other words, if they get sales
12 tax exemption they have to report to the
13 state how many employees they have, how many
14 employees they pay workers' comp for and
15 disability for and payroll stuff. We get
16 copies or verification so we can verify
17 whether or not they are producing the numbers
18 that they promised us for the benefits we
19 gave them.

20 If they are not, we have the right to
21 callback or to recapture any and all of the
22 benefits if we feel that the project is not
23 proving to be what they said it's going to
24 be.

25 MR. SMITH: So there will be fallback

1
2 if they do not maintain the manpower on a
3 timeline?

4 MR. DOWD: It's at the discretion of
5 the IDA board.

6 MR. SMITH: We'd like to recommend
7 that.

8 MR. DOWD: Okay, your comments are
9 received.

10 Mr. DiSalvo?

11 MR. DiSALVO: Quick question, do we
12 have an idea of what the figure of the bond
13 would be?

14 MR. DOWD: Which?

15 MR. DiSALVO: The surety bond.

16 MR. DOWD: To us, to the IDA?

17 MR. DiSALVO: The amount? It's not an
18 IDA question. I can ask that question at a
19 later time, I figured I would just get it out
20 of the way now.

21 MR. LOUCKS: I can answer that
22 question.

23 So the project budget, when Ken used
24 the term or the figure 39.5 million, that's a
25 total project budget. It includes what we

call hard and soft costs.

Soft costs being marketing, being taxes, being interest payments to the bank. And, by the way, any lender is going to require us to fully bond this because they also want to protect their asset, the ones who have loaned the money. It's a very important point.

So the hard cost is the cost of construction itself. That cost is about, right now, about 28 to \$30 million to build the building itself, construction cost. Therefore, the bond that we will put up will be to cover that cost of construction.

MR. DiSALVO: Okay.

MR. LOUCKS: So about a 28 to 30 million-dollar bond.

MR. DiSALVO: And just because it's based on the figures and the taxation at one point the project was a 20 million-dollar project to build the hotel up there, going back several years from the initial application, so we are at 30 for hard cost to build the hotel now?

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MR. LOUCKS: About that.

MR. DiSALVO: About that?

MR. LOUCKS: Yes.

MR. DiSALVO: Okay.

MR. DOWD: Yes, ma'am.

MS. MENNITE: Hi, I'm Barbara Mennite,
11 Locust Street, a resident in the village
and I'm also the secretary to the Chamber of
Commerce. I'm speaking as a resident right
now. I have comments and some questions.

First of all I'm speaking as a
resident, I don't want any extra tax burden
put on me as a result of the project.

As the mayor mentioned without details
about 94 percent of the land of the Town of
Highlands is under federal use for West
Point, that straps the people of this
community.

So you had mentioned that they will be
paying property tax including going into
school taxes because as a resident it's hard
for me when I get a notice that it says oh,
well your property taxes are only going up
\$108 this year, your school taxes are only

going up \$169.

Now, if you can clarify what I thought I heard you say is that the project will be paying property tax but not an increased value over this period of time. So in the meantime those of us who live here will be picking up the tab of whatever increase costs and value.

MR. DOWD: Let's get this straight, they will not pay any less taxes than they are presently paying now today. It will not change any of that tax structure.

So if they are paying \$50,000 in land taxes right now they are going to pay \$50,000 a year in land taxes as the project is built. That's not going to change.

MS. MENNITE: Mine can increase.

MR. DOWD: Why would yours increase if they are paying the same amount?

MS. MENNITE: Ours will increase, their's won't increase.

MR. DOWD: They will continue to pay whatever special district taxes, they will still pay the full tax that they have to pay

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2 that they are paying now. They will pay
3 under the fire district taxes or water
4 district, sewer district taxes, they have to
5 pay all of those.

6 MS. MENNITE: On a yearly basis?

7 MR. DOWD: Every year, just like they
8 are doing. It's not affected at all by the
9 tax abatement.

10 MS. MENNITE: Okay. Then also -- well
11 that's good.

12 Well just the point I was concerned
13 about is that we have to be very judicious on
14 what comes off the tax roll or what reduces
15 tax income here. We need waterfront property
16 for development of waterfront access here.
17 We need places for recreation to encourage
18 families to come here and live. So we can't
19 just, you know, oh this gets a tax, you know,
20 this gets benefits, this gets benefits.

21 And also I understand that you were
22 doing a study regarding how West Point and
23 the community can have better relationships
24 through --

25 MR. DOWD: The IDA was doing a study?

No, I don't think that's correct.

MS. MENNITE: Patterns For Progress.

MR. DOWD: We are not Patterns For Progress, ma'am.

MS. MENNITE: Well, that I do know. But I thought there was a study. I was interviewed for a study.

MR. DOWD: Well, I believe that members of the IDA staff, who were doing what they call a SWOT analysis with the village to find out what perhaps the IDA's Accelerator Program can do to try to bring businesses in.

I think they were talking about maybe using an old school up here. That analysis was being done with the cooperation of the IDA and the village and I think the town.

MS. MENNITE: Yes, I was interviewed actually and my point with this is this, that if the old guard is asking for special consideration I think there should be guarantees for the community.

In other words, it's going to bring these jobs, how many of them are going to be hired from the village and from Fort

1
2 Montgomery? Could money be specifically
3 required for marketing and advertising in the
4 village and Fort Montgomery?

5 The material I've seen, I've gone to
6 some of the planning board meetings and the
7 government meetings where this has been
8 discussed, and the literature really presents
9 it as a straight shot from 9W to Stoney
10 Lonesome Gate and how wonderful it makes West
11 Point. It's going to be in our community and
12 as a resident I really don't want it to just
13 be a private adjunct of West Point.

14 I think it's very fair that local
15 dollars be committed to the community. That
16 as a member of the Chamber of Commerce, you
17 know, I don't know how much of that can
18 actually go into your consideration but I
19 think as far as any resident of Orange County
20 goes they should have some guaranty that it's
21 going to contribute to the sustainability to
22 our local communities and that includes
23 helping people live here.

24 For example, we had a business open a
25 couple of years ago, they bought the building

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2 and they had to spend, I don't know the exact
3 number, but probably twice the amount they
4 had budgeted to get that building under code
5 and up and running and they're still
6 struggling. They didn't get any benefits.

7 There was another business that wanted
8 to open and they had similar problems, they
9 didn't get any of these types of benefits.
10 So I think the overall impact in the
11 community needs to be looked at.

12 MR. DOWD: Let me see if I can try to
13 address some of your issues. The IDA does
14 have a local labor policy as far as
15 construction jobs are concerned. We require
16 that all projects have 85 percent local
17 labor. Local labor is really a six or seven
18 county area because obviously sometimes we
19 can't get all the labor we want from our
20 specific local economy. We do enforce that.
21 We do have monitors of that. And so that's
22 something we have been doing since 2014 on
23 every project that came in after 2014.

24 My understanding from the application,
25 and we can have Ken clarify this, that of the

115 to 120 full time employees that other than about two or three I think it is I think in your application they all will be local.

Now, you define local, I can ask Ken to probably address that, we do not in our individual agreements with developers and our tax agreement and the like, tie them to tell them how they have to hire, that would be beyond our authority to do. Obviously, we encourage local labor every step of the way.

That's one reason why the IDA through its Accelerator Program reached out and worked with Highland Falls and tried to work with Highland Falls to help existing businesses get a helping hand trying to use vacant space in the village to find out what a good use for it would be.

I think we were talking about the school that was basically empty, trying to find maybe using a commercial kitchen operation there or some other thing where we could help the community, all of our communities.

We now have our third Accelerator

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2 Program, we just opened one in the City of
3 Newburgh, we're going to be opening one in
4 the City of Newburgh next week, one in
5 Middletown in the old Horton Hospital and we
6 have one in New Windsor.

7 We are trying to take empty space,
8 bring in small start-up companies and help
9 them develop, hire people, move out of the
10 Accelerator, rent space in Orange County
11 that's vacant and continue that process. So
12 we are looking at other SWOTs in Warwick and
13 other places around the county that are all
14 looking for help from our Accelerator
15 Program.

16 So highland Falls is certainly on that
17 list. I know they were working and obviously
18 you were interviewed by our staff members,
19 our managing director and chief operating
20 officer, they sat down with you folks. So we
21 have a lot of components.

22 We understand why give the new guy the
23 breaks, the old guy doesn't get any breaks,
24 that's what the Accelerator Program is
25 partially trying to do, it's trying to get

breaks and help out the existing businesses.

We have an Accelerator Without Walls Project, it's perfect for all of the existing businesses. If they have some problems with engineering, we get them engineering advice free of charge to try to help them develop and get passed their problems.

So we're very cognizant of that. And the IDA board has been working really to change the whole direction of the Accelerator probably three years ago. We hear you and the IDA board hears you.

MS. MENNITE: I want to follow-up again on the special nature. My concerns with the economics of this type of agreement in our special case is that people could go to that place, the old guard and then buy things there and then go to West Point which has its own economy. You can shop there, you can visit there without paying any sales tax, without contributing anything to the Orange County or local government and then leave.

So my concern is constructing this in some way where financially, I mean benefiting

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2 West Point I guess in a bigger picture
3 benefits Orange County. But due to the
4 special nature of the way you can just visit
5 there, leave and just be a very insularly
6 thing unto itself needs to be considered.

7 MR. DOWD: Ken, do you want to say
8 something quickly and then I will take this
9 gentleman -- why don't I take this
10 gentleman's question first.

11 MR. KOPALD: Ned Kopald. I'm speaking
12 as a representative of the Highland Falls
13 School Board and myself personally.

14 Do you have the current assessed value
15 on the property?

16 MR. FLEISHER: About \$700,000.

17 MR. KOPALD: Pardon me?

18 MR. FLEISHER: About \$700,000.

19 MR. KOPALD: What was it before it was
20 purchased by the entity that purchased it?

21 MR. FLEISHER: I don't know.

22 MR. KOPALD: I would like to see it
23 documented because I think the 700,000 is not
24 what it was at the time it was owned as a
25 previous motel.

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Church Hill Properties

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If in fact it has been increased that is good to recognize the value paid for it and not the value as the Pointer's Echo Motel.

MR. DOWD: I believe the current land value, based upon the information we got from the county, is \$279,000.

MR. KOPALD: I'm sorry?

MR. DOWD: 279,000 is the current land assessment.

MR. FRANKEL: Assessed value or full market?

MR. DOWD: It says land assessment, so it's not full.

MR. FRANKEL: I don't know, are they 100 percent?

MR. DiSALVO: 106.

MR. KOPALD: I think that is the total assessment.

MR. DiSALVO: Is it two properties?

MR. FLEISHER: Yes.

MR. DiSALVO: Two separate parcels?

MR. LOUCKS: Yes.

MR. KOPALD: That I believe would

represent the original Pointer's Echo Motel.

MR. FLEISHER: And Lilos parcel as well.

MR. KOPALD: Is the proposed abatement plan different in any way from the accepted abatement plan that was previously granted by the IDA?

MR. DOWD: No, it's still a 10 year pilot. It's still recording tax and still sales tax exemption. The sales tax went up because the project cost went up.

MR. KOPALD: Understandable.

MR. DOWD: But not on the pilot. The pilot is still considered 10 year assessment, 10 year pilot.

MR. KOPALD: I would re-echo what the mayor of the village, Mr. D'Onofrio indicated, that it would seem fair and I would request the developers to support the concept that the village's share that they would have gotten if the project paid sales tax to the county be considered so that the village, who is dependent upon sales tax to a significant extent, would gain to benefit.

I would ask the IDA to consider that the abatement plan not be over a 10 year period, that's in my opinion too beneficial to the project. Certainly the project if it's going to be successful would be successful before nine or 10 years.

The amount of school tax that would be abated is tremendous. I believe the figures you gave which would include county, town and school, approximately 3.896 million in real property tax, that's independent of the mortgage tax abatement and the sales tax.

The school and the community, as the other speakers have mentioned, is in a unique situation, unique not only to the County of Orange but probably to the United States in that approximately 96 percent of the land is not taxable either as a result of the federal government taking or New York State. We are on a fringe of losing properties, people moving out.

And as Barbara had mentioned to a homeowner who has already reached the pivotal point of too much taxes when we increase it

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2 by only \$150 it's already gone passed the
3 place of no return for many people. We have
4 a very substantial number unfortunately of
5 homes in foreclosure. And I would ask that
6 both the IDA and the project will consider
7 that the abatement period be less than the
8 full 10 years.

9 I will ask the town to check on its
10 current assessed value. If the assessed
11 value for the original piece of property of
12 the Pointer's Echo Hotel remains at the same
13 amount as it was when it was owned by the
14 previous owner it seems to me that there has
15 been a failure to address the issue that this
16 property has substantially increased in
17 value, confirmed by the amount of money that
18 the new owners purchased it for.

19 So I would ask that before the IDA
20 were to grant the abatement that they
21 ascertain those factual pieces of information
22 because it would impact the formula for the
23 abatement over the 10 year period.

24 I would ask also, gentlemen, who is
25 going to own the storm water infrastructure

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2 that comes down from the site down Berry's
3 Hill into the Roe Park area and onto Fickens
4 Field and across Fickens Field which Fickens
5 Field is owned by the school district?

6 MR. LOUCKS: I can answer that
7 question.

8 MR. DOWD: Sure.

9 MR. LOUCKS: The village of course
10 will own it, however during installation it's
11 an engineered system, of course by a civil
12 engineer with a license to practice. It has
13 been accepted by the village. In fact, the
14 design is in collaboration with the village.
15 We must install it properly. We will have a
16 third-party licensed inspector to ensure
17 that, for example, that the right materials
18 are used, the right sized pipes are used, the
19 right boxes are installed, the elevations are
20 proper, that compaction is proper.

21 The village itself will also have its
22 own inspector to ensure that everything is
23 being done right so it works properly. Then
24 we will be responsible because we will
25 warrant it, the product. And I think the

1 warranty is probably only four years, sir.
2 But if it's working after a year chances are
3 the system has been installed properly, it's
4 going to continue to work properly. After
5 that though once it's turned over to the
6 village, even though we have a warranty issue
7 for workmanship or anything else at our cost,
8 we would have to correct if there are any
9 problems. But after that it's dedicated to
10 the village and the village then takes over
11 the ownership of the system.
12

13 MR. KOPALD: Thank you. I'm sorry if
14 I did not hear. What was your name, sir?

15 MR. LOUCKS: My first name is Greg, my
16 last name is Loucks L-O-U-C-K-S. And I am
17 Iron Sword Enterprises, I'm engaged as their
18 owner representative for the purpose of
19 budgeting the project and overseeing design
20 and construction, closeout, etc.

21 MR. KOPALD: Thank you.

22 MR. LOUCKS: You're welcome, sir.

23 MR. KOPALD: Excuse me one moment.

24 MR. DOWD: I just want to make sure
25 everybody understand even if the IDA did not

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2 consider a 10 year pilot they are entitled
3 under New York State law under 45B to
4 actually get a 10 year, if you want it call
5 pilot, it would be about half the amount of
6 the abatement on new construction under New
7 York State law.

8 So basically instead of 10 percent a
9 year it would be 5 percent a year for 10
10 years. This is our enhanced pilot agreement
11 which is 10 percent after 10 years. So they
12 are entitled to a break under New York State
13 law, so.

14 MR. KOPALD: I would just indicate
15 that I believe if properly instructed that
16 this would be a benefit to the community and
17 I'm supportive in that respect, but the
18 project I don't expect that they would do it,
19 but the project owners could agree to take
20 less of the 10 year than they may be entitled
21 to in recognition of being a good partner and
22 steward for the community. Thank you.

23 MS. LAWLESS: My name is Ann Lawless
24 from the school board. So years ago when
25 this first came up, when we talked about

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2 this, we saw many different options were
3 given to us when we were sitting in the
4 library for hours at a time trying to work
5 out some sort of agreement. I think you guys
6 were involved in that. There was a sliding
7 scale and there were adjustments that the
8 previous applicant agreed to.

9 It kind of goes to what Ned is saying
10 about they were willing from a school tax and
11 I believe from the village tax as well to
12 make some adjustments in the percentages
13 based on the year.

14 Is there a sliding scale or are there
15 actual numbers determined now that would show
16 what's been agreed upon, what the application
17 is?

18 MR. DOWD: Nothing has been agreed
19 upon yet. The IDA is going to take the
20 minutes of this hearing, as well as their
21 application, and ultimately make a decision
22 on what kind of benefits they want to award
23 to this project.

24 MS. LAWLESS: By the year. Because I
25 know that the way it was explained to us the

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2 last time, and I know it was many years ago
3 and things have changed, but how it was
4 explained to us is whatever the normal scale
5 was over the years, one year, you know, year
6 one it's your regular taxes, year two you pay
7 this percent, three, four, up to year 10.

8 There was at that point a negotiation
9 that was allowed to say, you know, bump it up
10 a little bit in year two, bump it up more in
11 three. So I don't know if that's still an
12 option but it's something that I would like.
13 I need to be able to go back to my board and
14 say no that's off the table.

15 MR. DOWD: I don't recall what you're
16 speaking about right now, ma'am.

17 MS. LAWLESS: I was sitting there in
18 the library for many hours at different --

19 MR. DOWD: I'm not saying it can't be
20 done, but right now we have the application
21 before us which is asking for a specific 10
22 year enhanced pilot.

23 MS. LAWLESS: My question is when will
24 we have those numbers to take forward to our
25 constituents to say year one? I need to know

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what it's going to be for the school.

MR. DOWD: Well, the school district as a taxing entity becomes not a party to our agreement but they get notice of everything. In other words, they are going to get, if you have to administer a pilot agreement you need to see the pilot agreement and the agreement because you want to send out the payment in lieu of taxes every year.

MS. LAWLESS: I am not passing judgment but what happened with this is we just got the notice of this meeting last week, people are on vacation, people -- so it's very difficult, we can't have this thrown at us, we need to get it.

MR. DOWD: So the process would be now the hearing will be done today, the board gets it, the board could take this up at its August board meeting at which point they would award whatever benefits they want to award. And then we need to close with the applicant, the IDA, our bond counsel, our transactional counsel and their counsel to close which might take us into September.

1
2 And I know you folks want to start building I
3 think sometime in the fall, so that's
4 probably the timeline right now.

5 MS. LAWLESS: Then we go back to --

6 MR. DOWD: Once that agreement is
7 signed between the parties all of the taxing
8 entities have to have a copy of it because
9 they are going to have to administer it.

10 MR. KOPALD: It's after the fact.

11 MS. LAWLESS: It's after the fact.

12 MR. KOPALD: We need to have input --

13 MR. DOWD: This is your input.

14 MR. KOPALD: -- before the final
15 decision.

16 MR. DOWD: This is your input.

17 MS. LAWLESS: Okay, let me go back to
18 what these guys are saying early on, how
19 could you even consider this at an August
20 meeting when their funding hasn't been --

21 MR. DOWD: Again, it could be done in
22 August, it could be done in September, we
23 don't know exactly when they are getting the
24 financing. We are told it's going to be in
25 place, but if it's not in place we won't do

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the final resolution.

One of the things we can do is we go to the County Real Property Office and they give us basically a model for the 10 year pilot and all the taxes are going to be paid to the different entities, we can probably get that to you.

MS. LAWLESS: That's what we worked off the last time.

MR. DOWD: The village, the school district.

MS. LAWLESS: That would be great, that would be a huge help. That's what we worked off of the last time.

MR. DOWD: If you leave your name with Kelly we'll see that you get that.

MS. LAWLESS: Thank you.

MR. KOPALD: That was given -- I'm sorry, that was given to us last time in advance.

MR. DOWD: Ned, we have no problem giving it to you. As I said if you leave your information I'll have Kelly get that information to you by e-mail and you'll have

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2 it and we'll send it to the mayor and to the
3 town, the supervisor. If they want it, we
4 can give it to you.

5 MS. LAWLESS: Thank you.

6 MR. KOPALD: I would ask that the IDA
7 not close the hearing until the
8 municipalities receive that. The
9 municipalities should have the opportunity to
10 at least submit something in writing for the
11 consideration of the IDA. This shouldn't be
12 blind man's bluff.

13 MR. DOWD: Comment noted, Mr. Kopald.
14 And we'll decide -- I'll decide whether we
15 are going to close this or not after I hear
16 the rest of the comments, okay?

17 There's someone else that wants to
18 speak. We'll get you in a second, I will get
19 right back to you.

20 MR. KOPALD: As I asked, which was
21 obviously given no consideration, the setting
22 up of the meeting at 11 o'clock on a Tuesday
23 is significantly unfair to the communities
24 and the people that we serve. Most of the
25 people in this community work. If it was in

1
2 the evening, as we had requested previously,
3 you would have significantly more persons of
4 interest, I believe, present. And I think
5 it's extremely unfair and of course how many
6 members are there in the IDA?

7 MR. DOWD: Seven, seven board members.

8 MR. KOPALD: And we have two or three
9 here.

10 MR. DOWD: We have one, Mr. DiSalvo.

11 MR. DiSALVO: I'm on the school board.

12 MR. DOWD: I'm counsel, she's staff
13 but that's why we record this so every board
14 member will read, and they do read the
15 minutes of this hearing, before they decide
16 on anything.

17 MR. KOPALD: I don't know how the IDA
18 can continue to function with the power that
19 it has when the persons who are going to be
20 making a decision, absent Mr. DiSalvo, are
21 not interested enough to even be physically
22 present.

23 You say they will have the opportunity
24 to read the minutes, but the IDA in my
25 opinion while having some positive effects

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2 and it has been helpful in the school's
3 interest in the Accelerator, etc, is an
4 agency with tremendous power to the negative
5 of communities and local control.

6 We're charged, the town, the village,
7 the school, with coming up with a tax burden.
8 Yet our tax ability is significantly affected
9 by IDA abatements that negate home rule
10 essentially in totality. I feel it's
11 important to put that on the record.

12 MR. DOWD: You are on the record, Mr.
13 Kopald.

14 Yes, ma'am.

15 MS. MURPHY: By necessity -- Trustee
16 Murphy. By necessity we're getting deep into
17 the weeds in order to protect the interests
18 of our taxpayers. I do think that virtually
19 everyone in this room is supportive of the
20 project, we want to see that hotel built.
21 But you had mentioned a couple things that
22 the abatements do not address. And I wanted
23 to check, will they still pay the hotel tax
24 or is that included --

25 MR. DOWD: No. You mean the room tax

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that the county levies? Yes.

MS. MURPHY: They are not going to pay --

MR. DiSALVO: They will pay it.

MS. MURPHY: They will pay it?

MR. DOWD: Yes, it will not be affected by our agreement. In other words, we can abate real property taxes, not any other kind of tax. Sales tax, yes, but not hotel taxes, no.

MS. MURPHY: And you also mentioned taxes, well fire district taxes. We currently have in the village an all volunteer fire department. The previous managing person had accused me of trying to extort a fire truck out of this project. And I believe someone in the group said we don't need a ladder truck we'll use West Point's.

Now, recently there has been talk that West Point is not going to have their ladder truck. If you're building a structure that's in excess of 35 feet tall can it be written into the agreement that in exchange for this tax abatement they will provide firematic

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equipment?

MR. DOWD: We do not do that, ma'am.

MS. MURPHY: So we would have to form a fire district in order to try to recoup some of it?

MR. DOWD: Well, again, I'm not going to try to explain to the village or the town how they can handle the issue. But, no, we do not abate fire district taxes, special district taxes. If this tax is part of the village tax with the village fire department, that's part of the abatement process.

But we do not and we cannot negotiate a deal where we're basically saying to the applicant you can have the tax abatement but you have to buy the village a fire truck, that is not in our jurisdiction.

MS. MURPHY: It would be needed only for their property.

MR. DOWD: Again, I have to say I'm sure that it's part of the site plan approval process and the SEQR process they had to look at firematics and how a fire at that location would be handled. That would have been part,

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I believe, of the whole review process, the site plan and the environmental, so.

MS. MURPHY: Was it dependent on West Point?

MR. LOUCKS: It was addressed very specifically with the chief obviously who looked at it and required the fire path around. We looked at the front of the building.

Charlie, I don't recall specifically but it may have been that, so I don't want to speak out of turn, I do think he said something about West Point's fire truck could respond as a ladder truck.

MS. MURPHY: As long as they continue to have them.

MR. LOUCKS: There's a separate point that I can address later, probably outside this meeting, in terms of what is built into the mountainside, it's not per se, so I want to explain that. But it also provides, it's kind of like the hotel is right now, you can drive around to the back and the back is below grade. We're doing essentially the

1
2 same thing to reduce mass per the village's
3 request. It also enables us to be below that
4 point in the front so we can access.

5 When the chairman allows I will also
6 address the point of timing why now. Would
7 you like me to?

8 The question about timing, which are
9 good questions, why are you addressing this
10 now? Because there is a project budget
11 obviously. He has to go out and get
12 financing. And any entitlements that may be
13 granted, may not be, from the IDA are a
14 component of the project budget, which has a
15 pretty big bearing on how much he has to get
16 from either investors or lenders, the bank in
17 this case here. And so this is going to
18 inform our project budget, inform their
19 financing strategy.

20 So knowing right now what they may or
21 may not get from the IDA, how it affects our
22 actual construction cost, is really critical
23 to us to go out and finalize financing in the
24 street.

25 MR. DOWD: Are there any other

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questions on the IDA benefits?

Mr. Mayor.

MR. D'ONOFRIO: Here is a, so the county gets its hotel tax?

MR. DOWD: Yes.

MR. D'ONOFRIO: We would like to have our sales tax. I mean that's fair. The county is going to get their hotel tax, God bless them. You know our, you know, our issues here.

MR. LOUCKS: Yes, sir.

MR. D'ONOFRIO: Please consider, I would ask the IDA and you guys to consider our portion of what the sales tax would be, please.

MR. DOWD: Okay.

MR. LOUCKS: Is there a way to understand that?

MR. DOWD: We'll talk about that.

Yes, ma'am.

MS. MENNITE: Barbara Mennite again. I would like to make an amendment of information. First of all I appreciate Attorney Kopald's words.

I would like for whatever agreement is made to be made with them acting as a steward coming into this community and to cooperate, to benefit the community and not be another stress as if they're just taking more land and strapping our hands behind our back more.

Actually what I want to add is the point that there are only 10 communities in the country, the entire country, that are distressed in the manner we are by federal and state occupancy of land. We are isolated, surrounded and we are crammed.

So we're not just another place in Orange County or New York State in terms of considering how to apply these laws, just it needs to be for the community, not just the businesses.

And I want to give three examples if they are going to consider, there are families here that have two or three jobs, one family people working two to three jobs to try to, to exist here.

One family left in the middle of the school year last year, two children in our

1 schools. It was in the spring, they couldn't
2 even afford to finish out the school year and
3 left here.
4

5 And then the data on our income is
6 somewhat skewed because you have, there are a
7 lot of retired military people who have
8 earned every penny of retirement pay and now
9 they are successfully doing second jobs which
10 puts them at a higher income bracket.

11 So if you just look at data and look
12 at oh, okay these guys are doing okay, those
13 are extra considerations.

14 MR. DOWD: Thank you, ma'am.

15 Mr. DiSalvo.

16 MR. DiSALVO: Just a comment on the
17 whole thing because some of the things I'm
18 hearing in this room kind of perplex me a
19 little bit.

20 You know, 96 percent of our land, we
21 got it. We're a unique community, one of 10
22 maybe in the country, got it, which is all
23 the more reason why you have a tool like the
24 IDA that tries to attract a 40 million, 30
25 million-dollar project to build here.

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Now, what do they provide for that?
They provide jobs, potentially 120, they
provide tax payment. And in this case
because of the project they are not adding
any costs or as much cost to a school system
or to the village.

You'll probably have an additional
cost maybe for fire, if West Point gets rid
of their ladder truck, which I highly doubt.
And maybe cost to an ambulance call, God
forbid. But let's try not, don't lose, I
think Chairman Brescia from the Legislature,
always says don't miss the forest through the
trees.

Like it's a project that we don't, we
don't normally see here and I have concerns,
I have concerns, I've mentioned them to my
other IDA members. And by the way, you guys
are lucky in the fact that I'm on the IDA.
I'm not going to let anything in my power
happen to this community. I live here. You
live around the corner, my father lives right
around the corner from -- up the hill from
Mr. McCarthy. We are not going to vote on

1 something that's not going to be a long term
2 benefit to this community. I'll never vote,
3 I'll scream at the top of my head, I'll
4 resign from the board. These people know me.
5 So don't, it can't be looked at as a cash
6 grab. And for lack of a better term we are
7 going to hold these folks accountable, if
8 they don't know it, I hope they know it
9 today, but you know like don't, it's not a
10 cash grab. They are going to pay taxes.
11 They are going to add little cost to the
12 community up front.

14 Those areas where they are going to
15 add cost, water and sewer, they are going to
16 pay full freight. They are going to pay full
17 freight for the ambulance corps, that doesn't
18 go away. They're not in the fire district,
19 they are in the Village of Highland Falls, so
20 we are going to get tax money for that.

21 And, by the way, they are taking a
22 piece of property and after year 10 when they
23 pay full amount they are going to be sending
24 us a check three times a year, one to the
25 school, one to the town and one to the

1
2 village. That's how they alleviate the
3 homeowners from paying, by not adding an
4 additional cost.

5 If it was 150 homes up there you have
6 a cost to the community. There's a huge
7 expense because I have to monitor that with
8 police, and I have an expense to plow it and
9 I have expense to maintain the roads and
10 pave.

11 And I don't mean -- I'm not yelling,
12 I'm not scolding, just it's a process and I
13 guaranty you, it was already mentioned by the
14 IDA once from another member, financing is a
15 huge deal for this. And I don't know how far
16 it moves if they don't have something in
17 place and we're going to scrutinize, I'm
18 going to scrutinize that at least on my end,
19 so you guys know that in the open.

20 So please, you know, don't think of it
21 as a cash grab. We are going to hold them
22 accountable, we have to. So please keep that
23 in mind.

24 MR. DOWD: Are there any other
25 questions?

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Mr. Kopald.

MR. KOPALD: Could you identify the actual owners and the principals involved in this project?

MR. FRANKEL: That's all disclosed in the application.

MR. DOWD: It's part of our application, Mr. Kopald. If you need to see that again we would be happy to present it to you. It's also available online.

MR. KOPALD: Okay, thank you.

MR. DOWD: Any other questions?

There being no further questions I'm going to declare the public hearing closed.

But for the benefit of Mr. Kopald we will entertain written comments to the IDA no later than close of business Monday July 16th. So if you have anyone who wants to send us a letter we would be very happy to accept them until 5 o'clock on July 16th. Thank you very much.

MR. DiSALVO: I can extend that further, if you have any concerns you can

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Church Hill Properties

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e-mail me, I will give you my e-mail.

(The hearing was closed at 12:14 p.m.)

* * *

THE FOREGOING IS CERTIFIED

to be a true and correct transcription of the
original stenographic minutes to the best of my
ability.

Roberta O'Rourke

Roberta O'Rourke, Court Stenographer