

APPROVING RESOLUTION
(Leentjes Amusement Corp. (d/b/a The Castle) Project)

A regular meeting of the Orange County Industrial Development Agency held on March 20, 2024 at 5:00 p.m. (local time) at the Orange County Government Center Community Room, 255 Main Street, Goshen, New York.

The meeting was called to order by Jeffrey Crist and upon the roll being duly called, the following members were:

MEMBERS PRESENT: Jeffrey Crist, Marc Greene, Vincent Odock, Sue Walski, Linda Muller, Giovanni Palladino

THE FOLLOWING PERSONS WERE ALSO PRESENT: Bill Fioravanti, Marty Borrás, Kelly Reilly, Susan Katzoff, Brian Leentjes, Jose Rojas, Jane Samuelson, Kaitlynn Lancellotti

The following Resolution was offered by Marc Greene and seconded by Sue Walski:

RESOLUTION AUTHORIZING THE ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY TO: (I) UNDERTAKE, ACQUIRE, CONSTRUCT, RECONSTRUCT, RENOVATE, EQUIP AND COMPLETE CERTAIN MODIFICATIONS TO A PROJECT; (II) APPOINT THE COMPANY AS ITS AGENT TO UNDERTAKE THE PROJECT MODIFICATIONS (AS MORE FULLY DESCRIBED BELOW); (III) PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF ADDITIONAL EXEMPTIONS FROM STATE AND LOCAL SALES AND USE TAX; AND (IV) EXECUTE AND DELIVER CERTAIN DOCUMENTS IN CONJUNCTION WITH THE PROJECT

WHEREAS, by Title I of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 390 of the Laws of 1972 of the State of New York, as amended (hereinafter collectively called the "*Act*"), the **ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY** (hereinafter called the "*Agency*") was created with the authority and power to own, lease and sell property for the purpose of, among other things, acquiring, constructing and equipping industrial, manufacturing and commercial facilities as authorized by the Act; and

WHEREAS, at the request of X, LLC, 717 LLC AND BAZS, LLC (collectively, the "*Company*"), by resolution adopted April 14, 2016 (the "*Approving Resolution*") the Agency agreed to undertake a project (the "*Original Project*") consisting of: (A) the acquisition or retention by the Agency of a leasehold interest in a portion of a parcel of land located at 109-11 5 Brookside Avenue in the Village and Town of Chester, Orange County, New York [TMID #s: Part of 107-2-14.2, Part of 107-2-15 and Part of 2-1-61.2] (collectively, the "*Land*") and the existing improvements thereon consisting principally of two 18-hole mini-golf courses, go-kart track, climbing wall, arcade, batting cages, a roller skating rink, laser tag area, 200-seat restaurant, rock climbing area and indoor arcade (collectively the "*Existing Improvements*"); (B)(i) the removal

of the existing batting cages to make room for new rides and (ii) the construction on the Land of an approximately 15,000 square-foot addition to the existing building to accommodate new rides, arcade equipment, inflatable bounces, digital billboards and related improvements and equipment in furtherance of the Company's existing amusement park (collectively, the "**Original Improvements**"); (C) the acquisition in and around the Improvements of certain items of equipment, machinery and other tangible personal property (the "**Original Equipment**" and, collectively with the Land, the Existing Improvements and the Original Improvements, the "**Original Project Facility**"); and (D) the granting of certain financial assistance in the form of exemptions from real estate taxes, State and local sales and use tax and mortgage recording tax, if necessary (collectively the "**Financial Assistance**"); and

WHEREAS, the Company and Agency entered into a lease transaction, dated as of April 1, 2016, to effectuate the undertaking of the Original Project and the conference of the approved Financial Assistance (the "**Lease Transaction**"). As part of the Lease Transaction, the Company and the Agency executed and delivered numerous documents, including but not limited to, a project agreement, a lease agreement, sublease agreement and a tax agreement (collectively, the "**Original Lease Documents**"). The Company was awarded an amount not to exceed \$162,500 in exemptions from State and local sales and use tax ("**Original Exemption**"); and

WHEREAS, as part of the Original Project, the Company and the Agency entered into tax agreement between the Company and the Agency dated as of April 1, 2016, as amended by first amendment to tax agreement dated as of June 1, 2017 (collectively, the "**Tax Agreement**"); and

WHEREAS, by supplemental application dated October 14, 2023 (the "**Supplemental Application**"), the Company is requesting certain modifications to the scope of the Original Project to address a change in need based upon the passage of time. The requested changes to the Original Project include: (i) the addition of another level to the planned 15,000 square-foot addition to the existing building, thereby increasing the total size to 26,000 square feet which will house a roller skating rink and 12 bowling lanes; and (ii) to modify the go kart track to rise 35 feet near the highway to accommodate the additional building size ((i) and (ii) collectively, the "**Modifications**"); and

WHEREAS, the Original Project costs were estimated at \$2,750,000. Given higher interest rates and cost of materials, the current cost of the Original Project, with the Modifications, is estimated at \$5,980,000; and

WHEREAS, by Supplemental Application the Company requested the Agency approve the Modifications and grant an increase in their Financial Assistance consisting of: (i) additional exemptions from State and local sales and use taxes in an amount not to exceed \$178,750 (the "**Additional Financial Assistance**") and further approve amending all necessary Lease Documents to account for the Modifications and the Additional Financial Assistance (the "**Amended Lease Documents**"); and

WHEREAS, the Company advised that assuming approval, the Modifications should be complete in November of 2024; and

WHEREAS, pursuant to General Municipal Law Section 859-a, on December 13, 2023, at 2:00 p.m. (local time), at The Castle fun Center, 109 Brookside Avenue, Chester, New York, the Agency held a public hearing with respect to the Modifications and the proposed Additional Financial Assistance being contemplated by the Agency (the "**Public Hearing**") whereat interested parties were provided a reasonable opportunity, both orally and in writing, to present their views. Notice of the public hearing was published on November 27, 2023, in The Times Herald-Record, a newspaper of general circulation in Orange County, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated November 27, 2023. A copy of the minutes of the Public Hearing along with the Notice of Public Hearing are attached hereto as **Exhibit A**; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as "**SEQRA**"), the Agency is required to make a determination whether the "action" (as said quoted term is defined in SEQRA) to be taken by the Agency may have a "significant impact on the environment" (as said quoted term is utilized in SEQRA), and the agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, the SEQRA review and determinations for the Original Project consisted of: (a) a resolution adopted February 17, 2015 (the "**First SEQRA Resolution**") wherein the Village of Chester Planning Board (the "**Planning Board**") classified the Original Project as an "Unlisted" action (as such quoted term is defined under SEQRA), reviewed the Original Project and issued a "negative declaration" (as such quoted term is defined under SEQRA); (b) a resolution adopted May 23, 2017 (the "**Second SEQRA Resolution**") wherein the Planning Board reviewed amendments to the Original Project, classified the amendments as Unlisted, and issued a "negative declaration" with respect to the amendments to the Original Project; (c) a resolution adopted January 28, 2020 (the "**Third SEQRA Resolution**") wherein the Planning Board reviewed amendments to the Original Project, classified the amendments to the Original Project as a Type II Action (as defined in SEQRA), and therefore no further action was required under SEQRA; and (d) a resolution adopted October 26, 2021 (the "**Fourth SEQRA Resolution**" and together with the First SEQRA Resolution, the Second SEQRA Resolution, and the Third SEQRA Resolution, the "**SEQRA Resolution**") wherein the Planning Board reviewed amendments to the Original Project, classified the amendments as Unlisted, found that the amendments to the Original Project are consistent with the findings of the First SEQRA Resolution, and adopted the findings of the First SEQRA Resolution; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the undertaking of the Modifications and the provision of Additional Financial Assistance: (i) will induce the Company to complete the Modifications in Orange County (the "**County**"); and (ii) the Modifications will serve the purposes of the Act by advancing job opportunities and the economic welfare of the people of the State and the County and improve their standard of living; and

WHEREAS, subject to compliance with the terms hereof and the execution and delivery of the Amended Lease Documents by the Company, the Agency will acquire an interest in the

Modifications to the Original Project and designate the Company as its agent for the purpose of acquiring, constructing, reconstructing, renovating, equipping and completing the Modifications and confer the Additional Financial Assistance, execute and deliver the Amended Lease Documents and all other documents and certificates required by the Agency to carry out the intent of this Resolution; and

WHEREAS, the Amended Lease Documents and related documents will be negotiated and presented to the Agency for execution and delivery subject to and in accordance with the approval of these Resolutions.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

SECTION 1. The foregoing recitals are incorporated herein by reference. The Company presented the Application in a form acceptable to the Agency. Based upon the representations made by the Company to the Agency in the Supplemental Application, comments received at the public hearing and in other correspondence and/or documents, if any, submitted by the Company or other members of the public, to the Agency, the Agency hereby finds and determines that:

(A) By virtue of the Act, the Agency has been vested with all powers and authority necessary and convenient to carry out and effectuate the purposes and provisions of the Act and to exercise all powers granted to it under the Act and to take the actions contemplated herein; and

(B) Based upon the review by the Agency of the Supplemental Application, the Original Project, and Modification, the Agency hereby adopts the findings of the prior SEQRA findings of the Planning Board, and further finds that the current proposed action constitutes a "Type II action" pursuant to 6 N.Y.C.R.R. Part 617.5 and, therefore, no further action is required under SEQRA.

(C) The Agency authorizes, subject to the terms and conditions hereof, the Modifications, the Additional Financial Assistance and the execution and delivery of the Amended Lease Documents.

SECTION 2. The Chairman, Vice Chairman and/or Chief Executive Officer of the Agency, acting individually, are each hereby authorized and directed, on behalf of the Agency, to negotiate and execute the Amended Lease Documents, in form and substance similar to other such agreements and documents used by the Agency for similar transactions, with changes in terms and form as shall be consistent with this Resolution and as the Chairman, Vice Chairman and/or Chief Executive Officer shall approve; and (D) and execute and deliver any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein, as approved by the Chairman, Vice Chairman and/or Chief Executive Officer, and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

SECTION 3. Pursuant to Section 875(3) of the New York General Municipal Law and/or the Agency's policies, which are all incorporated herein by reference, the Agency may recover or recapture from the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, any State and local Sales and Use Tax Exemption Benefits and/or any other Original Financial Assistance or Additional Financial Assistance provided to the Company and/or the Project if there is a violation of the Act or the Agency's policies or in the event of a default under the Lease Documents or Amended Lease Documents by the Company. As a condition precedent of receiving Sales and Use Tax Exemption Benefits, the Company, its agents, consultants, subcontractors, or any other party authorized to make purchases for the benefit of the Project, shall (i) cooperate with the Agency in its efforts to recover or recapture any Sales and Use Tax Exemption Benefits, and (ii) promptly pay over any such amounts to the Agency that the Agency demands; and with respect to all other Original Financial Assistance or Additional Financial Assistance the Company shall agree to cooperate with the Agency in its efforts to recover or recapture any Financial Assistance in the event of a Default; and promptly pay over any such amounts to the Agency that the Agency demands.

SECTION 4. The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the Company's execution and delivery of the Amended Lease Documents, all other documents set forth herein and the payment by the Company of all administrative, legal and other fees of the Agency, and there being no event of default existing under the Lease Documents.

SECTION 5. No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

SECTION 6. Should the Agency's participation in the Project, or the appointments made in accordance herewith, be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

SECTION 7. Bousquet Holstein PLLC, as counsel to the Agency, is hereby authorized to work with the Company and others to prepare for submission to the Agency, all documents necessary to effect the grant of Additional Financial Assistance and consummate the Amended Lease Documents.

SECTION 8. The Secretary, the Chief Executive Officer and/or the Chief Operating Officer of the Agency are hereby authorized and may distribute copies of this Resolution and do

such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

SECTION 9. The approvals provided for herein are contingent upon the Company's payment of all the Agency's fees and costs, including but not limited to attorney's fees.

SECTION 10. These Resolutions shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to vote on roll call, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Jeffrey D. Crist	X			
Dean Tamburri			X	
Vincent Odock	X			
Marc Greene	X			
Giovanni Palladino	X			
Susan Walski	X			
Linda Muller				X

The Resolutions were thereupon duly adopted.

STATE OF NEW YORK)
COUNTY OF ORANGE) ss:

I, the undersigned Chief Executive Officer of the Orange County Industrial Development Agency, **DO HEREBY CERTIFY**:

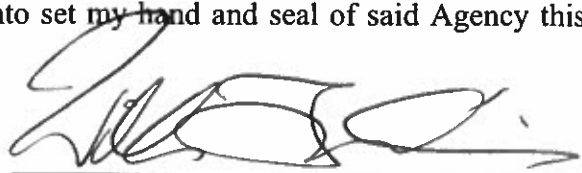
That I have compared the foregoing extract of the minutes of the meeting of the Orange County Industrial Development Agency (the "**Agency**") including the resolution contained therein, held on March 20, 2024, with the original thereof on file in the office of the Agency, and that the same is a true and correct copy of the proceedings of the Agency and of such resolution set forth therein and of the whole of said original insofar as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that all members of said Agency had due notice of said meeting, that the meeting was in all respects duly held and that, pursuant to Article 7 of the Public Officers Law (Open Meetings Law), said meeting was open to the general public, and that public notice of the time and place of said meeting was duly given in accordance with Article 7.

I FURTHER CERTIFY that there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or modified.

20th **IN WITNESS WHEREOF**, I have hereunto set my hand and seal of said Agency this day of March, 2024.



William Fioravanti, Chief Executive Officer

(S E A L)

EXHIBIT A

Public Hearing Minutes & Notice of Public Hearing

[See Attached]

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Article 18-A of the New York General Municipal Law will be held by the Orange County Industrial Development Agency (the "Agency") on December 13, 2023, at 2:00 p.m. local time, at The Castle Fun Center, 109 Brookside Ave, Chester, New York 10918, in connection with the following matter:

At the request of X, LLC, 717 LLC AND BAZS, LLC (collectively, the "Company"), by resolution adopted April 14, 2016, the Agency agreed to undertake a project (the "Original Project") consisting of: (A) the acquisition or retention by the Agency of a leasehold interest in a portion of a parcel of land located at 109-115 Brookside Avenue in the Village and Town of Chester, Orange County, New York [TMID #s: Part of 107-2-14.2, Part of 107-2-15 and Part of 2-1-61.2] (collectively, the "Land") and the existing improvements thereon consisting principally of two 18-hole mini-golf courses, go-kart track, climbing wall, arcade, batting cages, a roller skating rink, laser tag area, 200-seat restaurant, rock climbing area and indoor arcade (collectively the "Existing Improvements"); (B)(i) the removal of the existing batting cages to make room for new rides and (ii) the construction on the Land of an approximately 15,000 square-foot addition to the existing building to accommodate new rides, arcade equipment, inflatable bounces, digital billboards and related improvements and equipment in furtherance of the Company's existing amusement park (collectively, the "Original Improvements"); (C) the acquisition in and around the Improvements of certain items of equipment, machinery and other tangible personal property (the "Original Equipment" and, collectively with the Land, the Existing Improvements and the Original Improvements, the "Original Project Facility"); and (D) the granting of certain financial assistance in the form of exemptions from real estate taxes, State and local sales and use tax and mortgage recording tax, if necessary (collectively the "Financial Assistance").

The Company requested certain modifications to the scope of the Original Project to address a change in need based upon the passage of time. The requested changes to the Original Project include: (i) the addition of another level to the planned 15,000 square-foot addition to the existing building, thereby increasing the total size to 26,000 square feet which will house a roller skating rink and 12 bowling lanes; and (ii) to modify the go kart track to rise 35 feet near the highway to accommodate the additional building size ((i) and (ii) collectively, the "Modifications").

The Company requested the Agency consider an increase in their Financial Assistance to account for the increased costs associated with the Modifications and are asking for: (i) an increase in exemptions from State and local sales and use taxes in an amount not to exceed \$178,750; and (ii) an amendment to the PILOT agreement to reflect the Modifications set forth herein (the "Additional Financial Assistance").

The Company will be the initial owner or operator of the Project.

The Agency will at the above-stated time hear all persons with views with respect to the proposed Modifications and Additional Financial Assistance to the Company.

A copy of the supplemental application filed by the Company with the Agency with respect to the Modifications and the Additional Financial Assistance, including an analysis of the costs

and benefits of the Project, are available for public inspection during the business hours at the office of the Agency located at 4 Crotty Ln #100, New Windsor, NY 12553 or on its website at <https://www.ocnyida.com>.

Dated: November 22, 2023

ORANGE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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

4 In The Matter of

5 Re: Leentjes Amusement - The Castle Fun Center
6 -----x

7 December 13, 2023
8 2:00 p.m.
9 The Castle Fun Center
10 109 Brookside Avenue
11 Chester, New York 10918

12 B E F O R E: WILLIAM FIORAVANTI
13 CEO OCNYIDA
14
15
16
17
18
19
20
21
22

23 VICTORIA CHUMAS
24 Court reporter
25 11 McCall Place
Newburgh, New York 12550
Telephone (845) 527-3923

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

WILLIAM FIORAVANTI

CEO OCNYIDA

4 Crotty Lane

New Windsor, New York 12553

ALSO PRESENT: Kelly Reilly
Project Manager

1 Leentjes Amusement - The Castle Fun Center

2 MR. FIORAVANTI: Good afternoon.

3 Thanks for joining us. This is the
4 Orange County IDA, our public hearing
5 for Leentjes Amusement. We are in the
6 Village of Chester. My name is Bill
7 Fioravanti. It is 2:06 p.m. I am the
8 CEO of the Orange County IDA. We are
9 opening this public hearing right now.

10 Before we begin, I would like to
11 ask anyone here in attendance to stand
12 for the Pledge of Allegiance. The
13 flag is right here.

14 (Whereupon, the Pledge of
15 Allegiance was recited).

16 MR. FIORAVANTI: Thank you,
17 all.

18 Just a little housekeeping.
19 We'll do some introductions so you
20 know who is in attendance. Again, my
21 name is Bill Fioravanti, CEO of the
22 Orange County IDA. We also have Kelly
23 Reilly, who is our project manager
24 with the IDA. We have Ms. Victoria
25 Chumas, who is our stenographer today.

1 Leentjes Amusement - The Castle Fun Center

2 Thank you for being here. We have one
3 of our board members in attendance,
4 Mr. Jeff Crist. Thanks for attending.
5 Mr. Jose Rojas, who is with
6 Acquisitions Marketing handling the
7 audio/visual for this event. And
8 last, but not least, Mr. Brian
9 Leentjes is from Leentjes Amusements,
10 AKA The Castle Fun Center, our
11 applicant.

12 Is this cutting out? I'm going
13 to bail on that. I'm loud enough.

14 Just to let you know how this is
15 going to proceed, I'm going to be
16 reading the Notice of Publics Hearing
17 that was put out several weeks ago
18 notifying the public about this
19 proceeding. I am going to read the
20 entire thing. Please bear with me.
21 It's a little much, but it will
22 provide all of the details of the
23 scope of this project, of the
24 intention of it, of the benefits, and
25 then we are going to open it up to the

1 Leentjes Amusement - The Castle Fun Center
2 public for any sort of comments that
3 we have. If you do have comments,
4 again, make sure you have signed up on
5 the sign-in form there. And when you
6 get up to the mic, please just
7 identify yourself and where you are
8 from, and we will move that as quickly
9 as possible.

10 I am going to start right now
11 with our Notice of Public Hearing:

12 NOTICE IS HEREBY GIVEN that a
13 public hearing pursuant to Article
14 18-A of the New York General Municipal
15 Law will be held by the Orange County
16 Industrial Development Agency (the
17 "Agency") on December 13, 2023, at
18 2:00 p.m. local time, at The Castle
19 Fun Center, 109 Brookside Ave,
20 Chester, New York 10918, in connection
21 with the following matter;

22 At the request of X, LLC, 717
23 LLC AND BAZS, LLC (collectively, the
24 "Company"), by resolution adopted
25 April 14, 2016, the Agency agreed to

1 Leentjes Amusement - The Castle Fun Center

2 undertake a project (the "Original
3 Project") consisting of: (A) the
4 acquisition or retention by the Agency
5 of a leasehold interest in a portion
6 of a parcel of land located at 109-115
7 Brookside Avenue in the Village and
8 Town of Chester, Orange County, New
9 York [TMID #s: Part of 107-2-14.2,
10 Part of 107-2-15 and Part of 2-1-61.2]
11 (collectively, the "Land") and the
12 existing improvements thereon
13 consisting principally of two 18-hole
14 mini-golf courses, go-kart track,
15 climbing wall, arcade, batting cages,
16 a roller skating rink, laser tag area,
17 200-seat restaurant, rock climbing
18 area and indoor arcade (collectively
19 the "Existing Improvements"); (B)(i)
20 the removal of the existing batting
21 cages to make room for new rides and
22 (ii) the construction on the Land of
23 an approximately 15,000 square-foot
24 addition to the existing building to
25 accommodate new rides, arcade

1 Leentjes Amusement - The Castle Fun Center
2 equipment, inflatable bounces, digital
3 billboards and related improvements
4 and equipment in furtherance of the
5 Company's existing amusement park
6 (collectively, the "Original
7 Improvements"); (C) the acquisition in
8 and around the Improvements of certain
9 items of equipment, machinery and
10 other tangible personal property (the
11 "Original Equipment" and, collectively
12 with the Land, the Existing
13 Improvements and the Original
14 Improvements, the "Original Project
15 Facility"); and (D) the granting of
16 certain financial assistance in the
17 form of exemptions from real estate
18 taxes, State and local sales and use
19 tax and mortgage recording tax, if
20 necessary (collectively the "Financial
21 Assistance").

22 The Company requested certain
23 modifications to the scope of the
24 Original Project to address a change
25 in need based upon the passage of

1 Leentjes Amusement - The Castle Fun Center

2 time. The requested changes to the
3 Original Project include: (I) the
4 addition of another level to the
5 planned 15,000 square-foot addition to
6 the existing building, thereby
7 increasing the total size to 26,000
8 square feet which will house a roller
9 skating rink and 12 bowling lanes; and
10 (ii) to modify the go kart track to
11 rise 35 feet near the highway to
12 accommodate the additional building
13 size ((i) and (ii) collectively, the
14 "Modifications").

15 The Company requested the Agency
16 consider an increase in their
17 Financial Assistance to account. For
18 the increased costs associated with
19 the Modifications and are asking for:
20 (I) an increase in exemptions from
21 State and local sales and use taxes in
22 an amount not to exceed \$178,750; and
23 (ii) an amendment to the PILOT
24 agreement to reflect the Modifications
25 set forth herein (the "Additional

1 Leentjes Amusement - The Castle Fun Center
2 Financial Assistance").

3 The Company will be the initial
4 owner or operator of the Project.

5 The Agency will at the
6 above-stated time -- now, today --
7 hear all persons with views with
8 respect to the proposed Modifications
9 and Additional Financial Assistance to
10 the Company.

11 A copy of the supplemental
12 application filed by the Company with
13 the Agency with respect to the
14 Modifications and the Additional
15 Financial Assistance, including an
16 analysis of the costs 6661978.1 and
17 benefits of the Project, are available
18 for public inspection during the
19 business hours at the office of the
20 Agency located at 4 Crotty Ln #100,
21 New Windsor, NY 12553 or on its
22 website at <https://www.ocnyida.com>.
23 This notice is dated November 22, 2023
24 by the Orange County Industrial
25 Development Agency.

1 Leentjes Amusement - The Castle Fun Center

2 MR. FIORAVANTI: Thank you for
3 your patience through that, both at
4 home and here in the audience. Just
5 basically to get some of the legalese
6 out of here and make it clear, the
7 applicant first applied to the Orange
8 County IDA for support of their
9 expansion project. This is a project,
10 a family owned business, a labor of
11 love, and doing it many, many years
12 looking to expand in 2016. As they
13 explain in a letter, which is
14 available on our website, to the IDA
15 explaining what they have completed so
16 far, what remains to be done, and what
17 changes they need to make. They
18 explained that they performed some of
19 the work that they had pledged to do
20 so, and that due to COVID, due to
21 competitive issues, and as we are
22 seeing the incredible escalation of
23 costs, of building materials and other
24 factors, the budget for the project
25 has expanded. And they also, as

1 Leentjes Amusement - The Castle Fun Center

2 explained in the notice, they want to
3 expand the scope, meaning the size of
4 the building and some of the addition.

5 This hearing is really about the
6 -- just that additional changes to the
7 project. The additional sales tax
8 they are requesting, which to be clear
9 to everyone in the public, is a
10 savings of 8.125 percent sales tax in
11 Orange County on their building
12 materials, on their furniture and
13 fixtures, all related to this project
14 and only related to that project.
15 Because their budget grew, again, due
16 to all of the factors I described,
17 they exceeded the approved -- they
18 would exceed in order to complete the
19 project the already approved sales tax
20 exemption that this board approved
21 years ago. Because the additional
22 amount they're requesting in sales tax
23 exemption due to the increased budget
24 exceeds \$100,000, it's 158,000 and
25 change, the laws that govern IDAs

1 Leentjes Amusement - The Castle Fun Center

2 require that we have another public
3 hearing. That's why we're hear today.
4 So the comments we're looking for
5 really are with respect to the
6 additional sales tax exemption that is
7 being requested in order to allow them
8 to complete this project and get the
9 addition done, the expansion done.
10 And because the project size, the
11 budget size is expanding. They
12 already have an approved pilot, which
13 is just a phase in of the new property
14 taxes that will result just from this
15 expansion. Their existing taxes are
16 not going down; nothing like that,
17 just for the incremental increase.
18 Because the end result of the value of
19 the project is higher, the pilot
20 figures, what the taxes will be paid,
21 need to be adjusted somewhat, so we
22 are also looking for an approval to
23 amend that just based upon the new
24 budget increase. So just in laymen's
25 terms, if that wasn't any clear, I'm

1 Leentjes Amusement - The Castle Fun Center

2 not sure it was, that's exactly why
3 we're hear today. So without any
4 other detail, someone let us know if
5 we have questions. Though, I will be
6 clear, this really isn't a Q and A
7 session. This is we're providing the
8 information and we are now just asking
9 the public to provide their comment on
10 the record. Your comments will be
11 transcribed by the stenographer.
12 There will be a transcript that is
13 provided to our Board of Detectors
14 well in advance of our board meeting,
15 which we anticipate will be in
16 January, around January 20th, when we
17 would consider, the board would vote
18 potentially to approve these. They
19 would have the transcript of this
20 hearing, all of your comments, any
21 letters we received well in advance so
22 the board can consider those comments.
23 I want to be clear that your comments
24 are valuable and will be heard
25 completely by the entire board. So

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2 with that said, I would like to open
3 up the floor for any public comment.
4 Anyone that would like to start, I
5 just want to make sure you're on the
6 list. If you would like to start,
7 please come up to the mic, identify
8 yourself and where you're from, and
9 give us your comment.

10 MS. REILLY: Elizabeth Reilly,
11 R-E-I-L-L-Y, and I am the Deputy Mayor
12 for the Village of Chester. The
13 concern that our mayor has is the loss
14 of tax revenue. That is the main
15 concern.

16 On a personal note, my grandkids
17 love it here.

18 MR. FIORAVANTI: Great, thank
19 you. I appreciate that. Any other
20 comments?

21 MS. DANA: Hi. I'm Amanda Dana,
22 I'm the Director of Tourism for Orange
23 County. My last name is spelled
24 D-A-N-A. And so I am standing here in
25 full support of the benefits for the

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2 Castle Fun Center and their expansion.

3 I will like to talk a little about
4 this family-owned company and what it
5 means to Orange County tourism.

6 Years ago, when I had the
7 pleasure of meeting Allison and Brian,
8 we had talked about some of the
9 expansion, and we had talked about the
10 big sister up the road going in, which
11 is LEGOLAND, New York. They were
12 concerned. They were concerned that
13 perhaps possibly some of the visitors,
14 family visitors would go to LEGOLAND
15 and not necessarily come here. But
16 what they did is they stuck it out,
17 and they wanted to see what was
18 happening, what was happening with the
19 family fun visitors coming to Orange
20 County. And they came, and they came
21 pretty hard. And what we did realize
22 is that there is absolute complements
23 between LEGOLAND, New York and The
24 Castle Fun Center. Two to twelve,
25 right, up in LEGOLAND, and we do that

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2 very well. But the older children
3 that come with their families they
4 absolutely want to come here. Brian
5 and Allison have recognized that.
6 And it's not just for the visitors
7 coming in for LEGOLAND. It's the
8 visitors coming from the tri-state in
9 the region. Many visitors come here.
10 They love it here. The fact that they
11 are here with us in a state that's,
12 you know, highly regulated, highly
13 taxed and still are investing their
14 dollars here shows that is a testament
15 to the investment they make in Orange
16 County.

17 This is one of our top
18 designations, and I can tell you that
19 as much as there might be concern
20 about the sales taxes not coming to
21 the Village of Chester, the amount of
22 sales tax that's coming in from the
23 amount of people coming in because of
24 the expansion will be so much greater
25 that you won't even think of it. I

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2 know this because we know how valuable
3 people have said this property is and
4 what a great economic contributor it
5 is to the tourism economy.

6 So again, if I can repeat, they
7 have nothing but great partners to all
8 of our attractions, and I stand here
9 fully in support of their benefits.

10 MR. FIORAVANTI: Thank you,
11 Amanda.

12 Any other comments from the
13 public?

14 Hering none, before we close,
15 I'd just add a couple of things. As
16 the IDA does for all of our projects
17 that we consider awarding benefits to,
18 we do a cost benefit analysis. We use
19 a proven tool that's used by other
20 IDAs and incorporates a number of
21 economic factors locally here. It
22 incorporates our local labor policy,
23 which requires that it would approve
24 incentives for any project in Orange
25 County 85 percent of your construction

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2 needs to be local. That would apply
3 with this project as well. Using that
4 tool and incorporating all of those
5 factors, we are able to estimate the
6 economic impact that will result from
7 this project. We also, using this
8 tool, can plug in what the costs are
9 to the IDA and to the public for this
10 project. In this case, really, the
11 costs are savings any abatement or
12 phased-in of property taxes, and, of
13 course, the sales tax that they won't
14 have to pay in building materials and
15 such.

16 The analysis, which is available
17 on our website, and I will get back to
18 that in a moment, but just so that you
19 know the results, there is a local
20 benefit and a state benefit.

21 Understand that most of the economic
22 benefits is local. It's happening
23 here in Chester in the Village and the
24 Town in Orange County. The state
25 doesn't benefit as much. Those are

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2 our benefits in taxes paid in payroll
3 and such. So the local benefit is
4 much greater. The local benefit is
5 estimated, as of this project, to be
6 approximately \$11,985,019. That is
7 direct jobs, indirect jobs,
8 construction jobs, economic spinoff
9 from payroll, etcetera, etcetera. So
10 almost \$12,000,000 in benefits at cost
11 locally of \$198,472. So an economic
12 benefit locally of about \$12,000,000
13 at a cost, in terms of the incentives,
14 at less than \$200,000. That is a
15 local benefit to cost ratio of 60 to
16 1. So for the cost of the incentives
17 we're getting a 60 percent -- I'm
18 sorry -- 60 times that return in
19 economic impact.

20 At a state level, it's not as
21 dramatic. Again, they don't get as
22 much of the impact; it's all felt
23 locally. The state gets a benefit of
24 \$614,873 at a cost of \$95,333, still a
25 benefit to the state six times the

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2 cost that it costs the state in terms
3 of incentives. And overall combined,
4 the grand total of the benefit to cost
5 is 43 to 1. So you understand why
6 this factors into our analysis of it,
7 of the project, again, when our board
8 considers when they do decide it.

9 First of all, I want to clarify
10 that our January board meeting is
11 actually on Wednesday, January 17th.
12 They are held at our headquarters in
13 New Windsor at 4 Crotty Lane. Our
14 meetings are totally open to the
15 public. You can come in person to any
16 of our meetings, and you also can tune
17 in live stream, of course. As we
18 mentioned, Acquisitions Marketing is
19 handling that for us. You go to our
20 website. We mentioned it before, but
21 www.ocnyida.com. Right at the bottom
22 of the website you'll see the big red
23 button for live streams. You go right
24 there. You can view a current meeting
25 like this one that's going on right

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2 now or anything in the past.

3 Also, I would like to point out
4 that our website has all of the
5 information about any project that we
6 even consider, even if they aren't
7 awarded benefits. That is on the
8 active project section of our website.
9 If you look at the top, there is a
10 banner menu and active projects.
11 Every project we consider has a
12 folder. The owners of the property
13 are Brian and Allison Leentjes, so it
14 is Leentjes Amusement Company is what
15 the folder is named. So you will look
16 under that. Now, remember this
17 project was first applied for and
18 awarded benefits in 2016. We have
19 done our best as a staff to try and
20 help you discern the various documents
21 that are in that folder. Some go back
22 to 2016. Some are some of this
23 proceeding here in 2023. The cost
24 benefit analysis is on there. Any
25 letters we receive related to this

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2 project are on there. Any resolutions
3 that are even considered by the board
4 are all on there. I urge you to look
5 at them, look through them, and if you
6 have any questions, please don't
7 hesitate. I say this to the public at
8 home as well. Don't hesitate to reach
9 out to us if you have any questions.

10 I appreciate you representing
11 the mayor. I'd actually like to
12 follow up and reach out to the mayor
13 and have a more lengthy discussion. I
14 imagine that would be welcomed?

15 Okay, terrific. Thank you for
16 that.

17 But if anyone anywhere has a
18 question about this project or any
19 project, if you can't find the
20 information on our website, call us
21 any time. I'm happy talk to you. We
22 do that all of the time. Our main
23 line (845) 234-4192. Call us any time
24 Monday through Friday, and we're happy
25 to answer any questions you have.

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2 Last call for any other comment.

3 Hearing none, we are going to close
4 the public hearing for Leentjes
5 Amusement on December 13th at
6 2:24 p.m. Thank you, again, everyone
7 for being here. Any questions, again,
8 please follow up with the IDA, but we
9 appreciate your support and your
10 participation. Have a great day.
11 Thank you.

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23 (Proceedings concluded at 2:24 p.m.)
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3 C E R T I F I C A T I O N
4

5 I, VICTORIA CHUMAS, Notary Public for and
6 within the State of New York, do hereby
7 certify:
8

9 That the foregoing is an accurate record of
10 the testimony, as given, to the best of my
11 knowledge and belief, the same having been
12 stenographically recorded by me and
13 transcribed under my supervision.
14

15 I further certify that I am not related to
16 any of the parties involved in this matter,
17 and that I have no personal interest
18 whatsoever in the outcome thereof.
19
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25