

ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION FOR SALE/LEASEBACK OR BOND TRANSACTION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for tax incentives or other assistance from the Ulster County Industrial Development Agency. These answers will also be used in the preparation of papers in this transaction. Accordingly, all questions should be answered accurately and completely by an officer or other employee of your firm who is thoroughly familiar with the business and affairs of your firm and who is also thoroughly familiar with the proposed project. This application is subject to the acceptance of the Agency.

COVER SHEET

TO: ULSTER COUNTY INDUSTRIAL DEVELOPMENT AGENCY
P.O. BOX 4265
KINGSTON, NY 12402-4265

APPLICANT: Hudson Valley Kingston Development LLC
APPLICANT'S STREET ADDRESS: 161 Chrystie Street, 2nd Floor, NY, NY 10002
APPLICANT'S MAILING ADDRESS: 161 Chrystie Street, 2nd Floor
CITY: New York STATE: New York ZIP: 10002 PHONE: 212-505-5270
FAX: 212-260-7033 EMAIL: gina@cbdevelopers.com EMPLOYER'S ID NO.: 81-3678178

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:
Nan Potter 845-331-0898

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:

NAME OF FIRM: Levy Holm Pellegrino & Drath LLP
NAME OF ATTORNEY: Brooke S. Spanierman, Esq.
ATTORNEY'S STREET ADDRESS: 950 Third Avenue, Suite 3101
ATTORNEY'S MAILING ADDRESS: _____
CITY: New York STATE: NY ZIP: 10022 PHONE: (212) 980-4200
FAX: (212) 759-9390 EMAIL: bspanierman@lhpdlaw.com

NOTE: Please read the instructions on page 2 before completing this application.

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application contains sufficient information upon which to base a decision whether to approve or tentatively approve an action.
2. Fill in all blanks, using "none" or "not applicable" or "n/a" where the question is not appropriate to the project which is the subject of this application (the "Project").
3. If an estimate is given as the answer to a question, put "(est.)" after the figure or answer that it is estimated.
4. If more space is needed to answer any specific question, attach a separate sheet.
5. When completed, return two (2) copies of this application to the Agency at the address indicated on the first page of this application. We also request that a digital version of the complete application be emailed to the UCIDA (oed@co.ulster.ny.us).
6. The Agency will not give final approval until the Agency receives a completed environmental assessment form (Appendix A) concerning the Project which is the subject of this application.
7. Please note that Article 6 of the Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the applicant feels that there are elements of the Project which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated, would cause substantial injury to the applicant's competitive position, the applicant may identify such elements in writing and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law.
8. The applicant will be required to pay to the Agency all actual costs incurred in connection with this application and the Project contemplated herein. The applicant will also be expected to pay all costs incurred by general counsel and special counsel to the Agency.
9. The Agency has established an application fee of Five Hundred Dollars (\$500) to cover the anticipated costs of the Agency in processing this application. A check or money order, made payable to the Agency, must accompany each application. This application will not be accepted by the agency unless accompanied by the application fee.
10. Post-Closing Modification Amendment Transactions. The amount of the administrative fee for Post-Closing Modification Amendment Transactions shall be determined by the staff of the Agency, with the review and approval by the Agency. The minimum administrative fee for such transactions shall equal Five Hundred Dollars (\$500).
11. The Agency has established a project fee for each project in which the Agency participates. Unless the agency agrees in writing to the contrary, the project fee is required to be paid by the applicant at or prior to the granting of any financial assistance by the Agency. This project fee is equal to 1% of the total project cost. If there is no closing, there is no such fee charged.
12. The Agency requires that each application be accompanied by the most recent (3) years of audited financial statements of the applicant and a **written business plan** concerning the project described in the application. The Agency reserves the right to reject any application, which fails to contain the foregoing information.
13. Please be as accurate as possible in completing this application as the consequences for misstatements could include loss and/or recapture of UCIDA benefits.

Applicant has read the above. Please initial your acceptance. _____



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I. PROPOSED OCCUPANT (HEREINAFTER, THE "COMPANY")

A. Identity of Company: Hudson Valley Kingston Development LLC

1. Indicate type of business organization of Company:

a. Corporation.

If so, incorporated in what country? _____

What State? _____

Date Incorporated: _____

Type of Corporation: _____

Authorized to do business in New York? Yes No

b. Partnership.

If so, indicate type of partnership: _____

Number of general partners: _____

Number of limited partners: _____

c. Limited liability company.

If so, formed in what state? New York

Date formed: 8/10/16

Authorized to do business in New York? Yes No

d. Sole proprietorship.

2. Is the Company a subsidiary or direct or indirect affiliate of any other organization(s)? If so, indicate name of related organization(s) and relationship:

Hudson Valley Kingston Development LLC's ('HVKD') majority owners, Charles Blachman and Michael Barry, will provide a personal guarantee for the project. See also the attached ownership chart which highlights the existing development businesses (excluding subsidiary real estate entities).

3. If the Company differs from the Applicant, as stated on Page 1, (e.g. If there will be a real estate holding company and a related operating company or an unrelated tenant company) give details of relationship and contact information if different:

HVKD upon completion of the project will operate the hotel and restaurant through two operating companies. HVKD's application for IDA benefits is under the condition and based on the job creation by these operating companies outlined under IV Employment Impact of this application.

B. Management of Company:

1. List all owners, members, officers, directors and partners (complete all columns for each person):

Name and Home Address	Office Held	Other Principal Business
Charles Blaichman 311 East 18th Street, NY, NY 10003	Member	
Michael Barry 18 Lake Road, Short Hills, NJ 07078	Member	
Scott Shnay 110 Greene Street, NY, NY 10012	Member	

110 Greene Street, NY, NY 10012

2. Yes No Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation?
3. Yes No Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)?
4. Yes No Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt?
5. If the answer to any of questions 2 through 4 is yes, please furnish details in a separate attachment.

C. Principal Owners of Company:

1. Yes No Is the Company publicly held?
If yes, please list exchanges where stocks are traded:

See also attached ownership charts for detailed ownership structure of the real property.

2. If no, list all stockholders having a 5% or more interest in the Company:

Name	Address	Percentage of Holding
Charles Blaichman	311 East 18th Street, NYC	45%
Michael Barry	18 Lake Road, NJ	45%
Scott Shnay	110 Greene Street, NYC	10%

D. Company's principal bank(s) account(s):

Rondout Savings Bank

II. PROJECT ELEMENTS

A. Description of the Project. (Please provide a brief narrative description of the Project.)

We are building four boutique hotels in historic Uptown Kingston. There will be 43 hotel rooms in total, with a restaurant at the 301 Wall Street location. This will create a welcome space for community events and gatherings, and stimulate much needed tourism and revenue for surrounding businesses. Please see appendix A.

B. Location of the Project: see Appendix A

1. Street Address: _____

2. SBL Numbers: _____

3. City: _____

4. Town: _____

5. Village of: _____

6. County of: _____

C. Description of the Project Site:

1. Approximate size (in acres or square feet) of the Project site: total size - 29,000sqft

Yes No Is a map, survey or sketch of the Project site attached?

2. Yes No Are there existing buildings on the Project site?

a. If yes, indicate the number of buildings on the site: 4 total

Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such building:

301 Wall Street - 10,000sqft

41 Pearl Street - 10,000sqft

24 John Street - 4,000sqft

270 Fair Street - 5,000sqft

b. Yes No Are the existing buildings in operation?

If yes, describe the present use of the existing buildings:

301 Wall Street - vacant

41 Pearl Street - vacant

24 John Street - 1 tenant until 10/18

270 Fair Street - 2 tenants until 10/17

c. Yes No Are the existing buildings abandoned?

d. Yes No About to be abandoned?

If yes, describe:

3. Utilities serving the Project site:

Water – Municipal: Kingston Water

Other (describe): _____

Sewer – Municipal: Kingston Water

Other (describe): _____

Electric – Utility: Central Hudson

Other (describe): _____

Heat – Utility: Central Hudson

Other (describe): _____

4. Present legal owner of the Project site: Hudson Valley Kingston Devt LLC

See appendix B

a. If the Company owns the Project site:

Date of Purchase: *see below

Purchase Price: *see below

b. Yes No If the Company does not own the Project site, does the Company have an option signed with the owner to purchase the Project Site?

If yes,

Date option signed with owner: _____

Date option expires: _____

c. Yes No If the Company does not own the Project site, is there a relationship legally or by common control between the Company and the present owner of the Project site?

If yes, describe:

*301 Wall Street - 7/25/16 \$925,000

270 Fair Street - 5/18/16 \$585,000

24 John Street - 1/9/17 \$500,000

41 Pearl Street - 4/24/17 \$730,000

5. Zoning District in which the Project is located:

- a. Yes No Are there any variances or special permits affecting the Project site?

If yes, list below and attach copies of all such variances or special permits:

41 Pearl Street was granted a special use permit 5/20/17.
The other three buildings are zoned appropriately.

See Appendix C.

D. Description of Proposed Construction:

1. Yes No Does part of the Project consist of the acquisition or construction of a new building or buildings?

If yes, indicate number and size of new buildings:

2. Yes No Does part of the Project consist of additions and/or renovations to existing buildings located on the Project site?

If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovations:

All four buildings will have complete interior renovations, preserving and highlighting architecture and historical significance. Exteriors will be restored and preserved.

3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed or expanded:

boutique hotel and restaurant, highlighting local products

4. Yes No If the Project involves the construction or reconstruction of any building or other improvement, has construction or reconstruction work on any such building or improvement begun?

If yes, please discuss in detail the approximate extent of construction or reconstruction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations, installation of footings; etc.:

Complete site preparation and demolition has been performed on 301 Wall Street in addition to asbestos abatement and air monitoring.

E. Description of the Equipment:

1. Yes No Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")?

If yes, describe the Equipment:

Kitchen, Guest room furniture, lobby furniture, etc

See Appendix D.

2. Yes No With respect to the Equipment to be acquired, will any of the Equipment have been used?

If yes, please provide detail:

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed:

food preparation for restaurant, accommodation, and ambiance development for guest rooms

4. Please give the specific status of any equipment acquisition that is already in process:

none

F. Project Use

1. What are the principal products to be produced at the Project?

boutique hotel accommodations and restaurant focused on

Hudson Valley farm fare

2. What are the principal activities to be conducted at the

Project? food, beverage, accommodations

3. Yes No Does the Project include facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities?

If yes, please provide detail:

Restaurant at 301 Wall St and retail shop at 270 Fair Street locations, boutique accommodation at all locations

4. If the answer to question 3 is yes, what percentage of the cost of the Project will be expended on such facilities or property primarily used in making retail sales of goods or services to customers who personally visit the Project? 100 %.
5. If the answer to question 3 is yes, and the answer to question 4 is more than 33.33%, indicate whether any of the following apply to the Project:
- a. Yes No Will the Project be operated by a not-for-profit corporation?
If yes, please explain:
- b. Yes No Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located?
If yes, please explain:

This project will stimulate the local economy by generating tourism to the area and other local businesses.
- c. Yes No Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York?
If yes, please explain:

Developer would likely build project in alternative location/region.
- d. Yes No Is the predominant purpose of the Project to make available goods or services which would not, but for the Project, be reasonably accessible to the residents of the city, town or village within which the Project will be located, because of a lack of reasonably accessible retail trade facilities offering such goods or services? If yes, please provide detail:

There is a decided lack of high quality accommodations in the city borders. There are highway centric hotels but no destination location boutique accommodations.

- e. Yes No Will the Project be located in one of the following: (i) the City of New York; (ii) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (iii) a census tract or block numbering area (or census tract or block numbering area contiguous thereto) which, according to the most recent census data, has (x) a poverty rate of at least 20% for the year in which the data relates, or at least 20% of households receiving public assistance, and (y) an unemployment rate of at least 1.25 times the statewide unemployment rate for the year to which the data relates?

If yes, please explain:

Buildings are contiguous to an economically distressed census track.

6. Yes No If the answers to any of subdivisions c. through e. of question 5 is yes, will the Project preserve permanent, private sector jobs or increase the overall number of permanent, private sector jobs in the State of New York?

If yes, please explain:

This project will increase the amount of permanent jobs for the local work force.

7. Yes No Will the completion of the Project result in the removal of a plant or facility of the Company or another proposed occupant of the Project (a "Project Occupant") from one area of the State of New York to another area of the State of New York?

If yes, please explain:

8. Yes No Will the completion of the Project result in the abandonment of one or more plants or facilities of the Company located in the State of New York?

If yes, please explain:

9. If the answer to either question 7 or question 8 is yes, indicate whether any of the following apply to the Project:

- a. Yes No Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry?

If yes, please provide detail:

n/a

- b. Yes No Is the Project reasonably necessary to discourage the Company or such Project Occupant from removing such other plant or facility to a location outside the State of New York?

If yes, please provide detail:

n/a

G. Sales and Use Tax Exemption (See also question B.3 in Part VI following):

1. Yes No Do you wish to apply for sales and use tax exemptions on project materials, equipment and furnishing?

H. Construction Status:

1. Has construction work on this project begun? Yes x; No _____. If yes, please discuss in detail the approximate extent of construction and the extent of completion. Indicate in your answer whether such specific steps have been completed as site clearance and preparation; completion of foundations; installation of footings; etc.:

301 Wall Street has had asbestos abatement and air monitoring.

Work done only for site stabilization. Nothing else was done.

2. Please indicate amount of funds expended on this Project by the Company in the past three (3) years and the purposes of such expenditures:

Site preparation, stabilizations and design

\$ 430,000.00

3. Please indicate the date the applicant estimates the Project will be completed: ~~FBI~~ SPRING 2019 See appendix E.

III. LEASES OR SUBLEASES

A. Yes No Does the Company intend to lease or sublease more than 10%

(by area or fair market value) of the Project?

If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee Name: _____

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee Is: Corporation Partnership Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

Yes No Will any portion of the space leased by this Sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such Sublessee.

Please provide on a separate attachment answers to questions II(F)(7) and (8) with respect to such Sublessee.

2. Sublessee Name: _____

Present Address: _____

City: _____ State: _____ Zip: _____

Employer's ID No.: _____

Sublessee Is: Corporation Partnership Sole Proprietorship

Relationship to Company: _____

Percentage of Project to be leased or subleased: _____

Use of Project intended by Sublessee: _____

Date of lease or sublease to Sublessee: _____

Term of lease or sublease to Sublessee: _____

Yes No Will any portion of the space leased by this Sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such Sublessee.

Please provide on a separate attachment answers to questions II(F)(7) and (8) with respect to such Sublessee.

3. Sublessee Name: _____
Present Address: _____
City: _____ State: _____ Zip: _____
Employer's ID No.: _____
Sublessee Is: Corporation Partnership Sole Proprietorship
Relationship to Company: _____
Percentage of Project to be leased or subleased: _____
Use of Project intended by Sublessee: _____
Date of lease or sublease to Sublessee: _____
Term of lease or sublease to Sublessee: _____
 Yes No Will any portion of the space leased by this Sublessee be primarily used in making retail sales of goods or services to customers who personally visit the Project?

If yes, please provide on a separate attachment (a) details and (b) the answers to questions II(F)(4) through (6) with respect to such Sublessee.

Please provide on a separate attachment answers to questions II(F)(7) and (8) with respect to such Sublessee.

- B. What percentage of space intended to be leased or subleased is now subject to a binding written lease or sublease?

HVKD upon completion of the project will operate the hotel and restaurant through two operating companies. HVKD's application for IDA benefits is under the condition and based on the job creation by these operating companies outlined under IV Employment Impact of this application.

IV. EMPLOYMENT IMPACT.

A. Indicate the number of people presently employed at the Project site and the **additional** number that will be employed at the Project site at the end of the first and second years after the Project has been completed, using the tables below for (1) employees of the Applicant, (2) independent contractors, and (3) employees of independent contractors. (Do not include construction workers in table 1). Also indicate below the number of workers employed at the Project site representing newly created positions as opposed to positions relocated from other project sites of the applicant. Such information regarding relocated positions should also indicate whether such positions are relocated from other project sites financed by obligations previously issued by the Agency.

***Total Jobs** – represents total jobs based on a 40 hour work week

****Total FTEs** – represents total full time equivalency based on a 35 hour work week

TYPE OF EMPLOYMENT Created by operating companies Employees of Applicant for HVKD.						
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals Jobs*	Total FTEs**
Present Full Time	0	0	0	0	0	0
Present Part Time	0	0	0	0	0	0
Present Seasonal	0	0	0	0	0	0
First Year Full Time	3	4	7	6	20	20
First Year Part Time			6	6	12	
First Year Seasonal						
Second Year Full Time	5	6	11	8	30	30
Second Year Part Time			8	8	16	
Second Year Seasonal						
Third Year Full Time	7	8	14	11	40	40
Third Year Part Time			10	10	20	
Third Year Seasonal						

TYPE OF EMPLOYMENT

Construction Contractors

	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals Jobs*	Total FTEs**
Present Full Time	1	1	2	2	6	6
Present Part Time	1	1		2	4	
Present Seasonal						
First Year Full Time	1	1	2	2	6	
First Year Part Time	1	2		2	5	
First Year Seasonal						
Second Year Full Time	1	3	3	4	11	
Second Year Part Time	2	3		4	9	
Second Year Seasonal						
Third Year Full Time	1	3	3	4	11	
Third Year Part Time	2	3		4	9	
Third Year Seasonal						

TYPE OF EMPLOYMENT

Independent Contractors

	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals Jobs*	Total FTEs**
Present Full Time						
Present Part Time						
Present Seasonal						
First Year Full Time*	6	2	12	3	23	
First Year Part Time						
First Year Seasonal						
Second Year Full Time						
Second Year Part Time						
Second Year Seasonal						
Third Year Full Time						
Third Year Part Time						
Third Year Seasonal						

* Detail Independent Contractors:

Carpentry	1	2	2	1	6
Framers	1		2	1	4
Electric	1		1		2
Plumbing	1		2		3
HVAC	1		2		3
Roof	1		3	1	5

- B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Mid-Hudson Economic Development Region for all the jobs at the Project site, both retained and created, listed in the tables described in subsection A above for each of the categories of positions listed in the chart below.

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	51,300	36,100	26,900	24,900
Estimated Number of Employees Residing in the Mid-Hudson Economic Development Region ¹	3	4	7	6

- C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project:

As project grows and new locations open, more jobs will be offered to the local community workforce.

- D. Please prepare a separate attachment describing in detail the types of employment at the Project site. Such attachment should describe the activities or work performed for each type of employment.

V. PROJECT COST AND FINANCING SOURCES

- A. Anticipated Project Costs. State the costs reasonably necessary for the acquisition of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$ _____
Buildings	\$ _____
Total = \$3,405,880 hard cost	

¹ The Mid-Hudson Economic Development Region consists of the following counties: Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster, Westchester.

Machinery and equipment costs	\$ <u>n/a</u>
Utilities, roads and appurtenant costs	\$ <u>n/a</u>
Architects and engineering fees	\$ <u>450,000</u>
Costs of financing	\$ <u>427,000</u>
Construction loan fees and interest (if applicable)	\$ <u>329,000</u>
Other (specify)	
<u>hard costs of finish/finishing equipment (FFE)</u>	\$ <u>650,000</u>
<u>soft costs (legal, insurance, taxes, etc)</u>	\$ <u>700,000</u>
	\$ _____
TOTAL PROJECT COSTS	\$ <u>8,707,778</u>

- B. Anticipated Project Financing Sources. State the sources reasonably necessary for the financing of the Project site, the construction of the proposed buildings and the acquisition and installation of any machinery and equipment necessary or convenient in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing	\$ <u>6,095,444</u>
Public Sector	\$ _____
Federal Programs	\$ _____
State Programs	\$ _____
Local Programs	\$ _____
Applicant Equity	\$ <u>2,612,333</u>
Other (specify, e.g., tax credits)	
_____	\$ _____
_____	\$ _____

	\$ _____
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	\$8,707,778

C. Have any of the above expenditures already been made by the applicant?
 Yes x ; No _____. If yes, indicate particulars.

purchase plus remediation

D. Amount of loan requested: \$ 0 ;
 Maturity requested: _____ years.

E. Has a commitment for financing been received as of this application date, and if so, from whom?

Yes X ; No _____. Institution Name: Rondout Savings Bank

Provide name and telephone number of the person we may contact.

Name: Jim Davenport, Marge Rovererto Phone: (845) 331-0073 x2263

F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: 0 %

G. The total amount estimated to be borrowed to finance the Project is equal to the following: \$ 6,095,444

VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY.

A. Financing.

1. Yes No Is the applicant requesting that the Agency issue bonds to assist in financing the Project?

If yes, indicate:

a. Amount of loan requested: \$ _____ ; and b.

Maturity Requested: _____ Years.

2. Yes No If the answer to question 1 is yes, is the interest on such bonds intended to be exempt from federal income taxation?

3. If the answer to question 2 is yes, will any portion of the Project be used for any of the following purposes?

a. Retail food and beverage services: Yes

- | | | |
|---|------------------------------|-----------------------------|
| b. Automobile sales or service: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| c. Recreation or entertainment: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| d. Golf course: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| e. Country club: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| f. Massage parlor: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| g. Tennis club: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| h. Skating facility (including roller skating, skateboard and ice skating): | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| i. Racquet sports facility: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| j. Handball and racquetball court: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| k. Hot tub facility: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| l. Suntan facility: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| m. Racetrack: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| n. Airplane: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| o. Skybox or private luxury box: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| p. Health club facility: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| q. Gambling: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| r. Sale of alcoholic beverages for consumption off premises: | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

4. NAICS Code(s): hotel - 72110, restaurant - 722511

B. Tax Benefits.

1. Yes No Is the applicant requesting any real property tax exemption in connection with the Project that would not be available to a project that did not involve the Agency?
 Yes No If yes, is the real property tax exemption being sought consistent with the Agency's Uniform Tax Exemption Policy?
2. Yes No Is the applicant expecting that the financing for the Project will be secured by one or more mortgages?
 If yes, what is the approximate amount of financing to be secured by mortgages? \$ 6,095,444
3. If the answer to question G in Part II previous is yes, what is the approximate amount of purchases which the applicant expects to be exempt from the NYS Sales and Compensating Use Taxes?
\$2,300,000
4. What is the estimated value of each type of tax-exemption being sought in connection with the Project? Please detail the type of tax-exemption and value of each exemption. NOTE: The Agency will assist you in calculating these estimates:

a. NYS Sales and Compensating Use Taxes:	<u>\$ 184,000.00</u>
b. Mortgage Recording Taxes:	<u>\$ 47,715.83</u>

- c. Real Property Tax Exemptions: \$ 632,305
- d. Amount of bonds sought: \$ n/a
- Estimated interest savings over life of bond: \$ n/a
- e. Other (please specify): \$ n/a

5. Please list the affected taxing jurisdictions for the Project:

- a. Village (if any): _____
- b. Town (if any): _____
- c. City (if any): Kingston
- d. School District: Kingston

6. Yes No Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax- Exemption Policy?

If yes, please explain how the request of the applicant differs from the Agency's Uniform Tax-Exemption Policy:

VII. COMMUNITY COSTS AND BENEFITS. Provide the Agency with information on costs and benefits to the community accruing from the project, in the following categories, checking or entering information as applicable:

A. Anticipated Community Benefits * see attached page

- 1. Jobs retained and created by the project (covered in Part IV above)
- 2. New payroll generated by the project (covered in Part IV above)
- 3. New capital investment made or leveraged by the project (covered in Part V above)
- 4. Total new taxes generated and *not exempted or abated* (must be consistent with Parts IV and VI above), as applicable:
 - a. Estimated new mortgage recording taxes: \$ 0
 - b. Estimated new sales and use taxes: \$ _____

Additional Purchases (1st year following project completion)	\$ 100,000
Additional Sales Tax Paid on Additional Purchases	\$ 8,000

See Appendix F.

Estimated Additional Sales (1 st year following project completion)	\$ 2,115,306 (hotel and retail)
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ 13,200 (retail only)

c. New PILOT payments projected for this project and new property taxes projected for this project. (Please discuss eligibility for PILOT schedules with UCIDA staff)

PILOT Year	Est. Existing Real Property Taxes	Est. New Real Property Taxes on Improvements Without PILOT	% of PILOT Exemption on Improvements	Est. New PILOT Payments on Improvements	Est. Total Annual Payments
Current Year	82,838	n/a	n/a	n/a	82,838
Year 1	87,350	185,495	100%	n/a	87,350
Year 2	92,107	189,204	100%	n/a	92,107
Year 3	97,124	192,989	100%	n/a	97,124
Year 4	102,413	196,848	75%	49,212	151,625
Year 5	107,991	200,785	75%	50,196	158,187
Year 6	113,873	204,801	50%	102,400	216,273
Year 7	120,074	208,897	50%	104,448	224,523
Year 8	126,614	213,075	50%	106,537	233,151
Year 9	133,510	217,336	50%	108,668	242,178
Year 10	140,781	221,683	50%	110,842	251,623
Year 11	10-year PILOT	10-year PILOT	10-year PILOT	10-year PILOT	10-year PILOT
Year 12					
Year 13					
Year 14					
Year 15					
Total	<u>1,121,837</u>				<u>1,754,142</u>

Additional Funds Paid Over 15 Years

632,305

Assessed Value of Property Before Improvements	1,521,000
Est. Assessed Value of Improvements Only	3,405,880
Total New Est. Assessed Value of Property	4,926,880

Estimated Tax Rate Per Dollar of Assessment	0.054463
Projected Tax Increase Per Year	2.00%

Note: the above is an aggregate across the four properties in scope for the project.

5. Exceptional wages and benefits

a. At least 80% of FTE's (Full-Time Equivalent) will receive the following hourly wage (including benefits) or better: (Check highest applicable)

- \$19.59
- \$24.09
- \$30.11

b. Yes No During the construction phase, at least 75% of regional labor will be used (i.e. from Ulster, Greene, Delaware, Sullivan, Orange, Dutchess and Columbia counties)?

c. Yes No During the construction phase, applicant will pay prevailing wages for at least 50% or 75% of the construction workforce labor? If yes, please select an option below.

- At least 50%
- At least 75%

(See definitions of prevailing wages for Ulster County posted at:

<https://www.labor.ny.gov/workerprotection/publicwork/PWfaq2.shtm>). Applicant is required to submit to the UCIDA monthly certified construction payroll to support this claim.

6. Improvements to the community or the property:

rehabilitation and re-purposing of historic structure to benefit community

7. New useful products or services:

Hotel is expected to bring 25,000 visitors annually to Uptown district (represents an estimate of targeted segment of the tourists for Kingston)

8. Secondary business generated or attracted for local or new Ulster County vendors, contractors, suppliers, or customers:

Hotel guests will eat and shop locally.

9. Environmental sustainability benchmarks:

- a. Yes No Use of existing industrial site or brownfield; construction in a shovel-ready site or designated business park; LEEDS certified (www.usgbc.org) or use of significant renewable energy?

10. Community investment benchmarks:

- a. Yes No Project easily accessible using public transportation (bus stop within 1/4 mile)?
- b. Yes No Development in economically distressed area of Ulster County, as defined by the US Economic Development Administration? Contiguous to economically distressed area
- c. Yes No Needed industry or service in the local economy as defined by Ulster Tomorrow or its successor?

11. Education and workforce development benchmarks?

- a. Yes No Post job openings with the Workforce Investment Board/Workforce System One-Stop Job Center?
- b. Yes No At least 50% of your workforce required to have advanced education credential: (technical degree from an Accredited Technical College, approved NYS Apprenticeship Program or Associate degree, or higher)?
- c. Yes No Workforce housing (moderately priced dwelling units that families earning 60% to 120% of the area median income (AMI) can purchase or rent) or senior/disabled housing?

12. Other benefits to the Ulster County community:

B. Anticipated Community Costs

1. Potential taxes forgone (covered in Part VI above)
2. Buildings vacated

none

3. Publicly funded infrastructure required

Type of infrastructure required	Estimated cost
none	\$
	\$
	\$
	\$

4. Cost of new anticipated municipal services required by the project (for the same period used in A.4.c. above)

New municipal service	Estimated cumulative cost
	\$
None	\$
	\$
	\$

5. Environmental costs (please fill out, separate Environmental Assessment Form) See Appendix G.

6. Other costs to the community: *None*

VIII. REPRESENTATIONS BY THE APPLICANT. The applicant understands and agrees with the Agency as follows:

- A. Job Listings. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by the collective bargaining agreements, new employment

opportunities created as a result of the Project (including any tenants located in the Project) will be listed with the New York State Department of Labor Community Services Division (the "DOL") and the Ulster County Office of Employment and Training (collectively with the DOL, the "OET Entities"), the administrative entity of the service delivery area created by the Federal Job Training Partnership Act (Public Law 97-300)(the "OET Law"), as supplanted by the Workplace Investment Act of 1998 (P.L. No. 105-220), in which the Project is located.

- B. First Consideration for Employment. In accordance with Section 858-b(2) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the applicant (and any tenants located in the Project) will first consider persons eligible to participate in OET Law programs who shall be referred by the OET Entities for new employment opportunities created as a result of the Project.
- C. Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the applicant and all consultants or subcontractors retained by the applicant.
- D. Annual Employment Reports. The applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the "NYS-45"), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable.
- E. Agency Enforcement Policy. The applicant acknowledges that it has read and understands the Agency's Enforcement of Agency Projects Policy and recognizes that in connection the assistance by the Agency in the undertaking by the applicant of the Project, the Agency will require the applicant to execute and deliver a Uniform Agency Project Agreement outlined in Section F below.
- F. Uniform Agency Project Agreement. The applicant agrees to enter into a project benefits agreement with the Agency where the applicant agrees that (1) the amount of Financial Assistance to be received shall be contingent upon,

and shall bear a direct relationship to the success or lack of success of such project in delivering certain described public benefits (the “Public Benefits”) and (2) the Agency will be entitled to recapture some or all of the Financial Assistance granted to the applicant if the project is unsuccessful in whole or in part in delivering the promised Public Benefits.

- G. Representation of Financial Information. Neither this Application nor any other agreement, document, certificate, project financials, or written statement furnished to the Agency or by or on behalf of the applicant in connection with the project contemplated by this Application contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no fact within the special knowledge of any of the officers of the applicant which has not been disclosed herein or in writing by them to the Agency and which materially adversely affects or in the future in their opinion may, insofar as they can now reasonably foresee, materially adversely affect the business, properties, assets or condition, financial or otherwise, of the applicant.
- H. Agency Financial Assistance Required for Project. The Project would not be undertaken but for the Financial Assistance provided by the Agency or, if the Project could be undertaken without the Financial Assistance provided by the Agency, then the Project should be undertaken by the Agency for the following reasons: Without agency assistance, we cannot undertake this project and establish the hotel business.
- I. Compliance with Article 18-A of the General Municipal Law: The Project, as of the date of this Application, is in substantial compliance with all provisions of article 18-A of the General Municipal including, but not limited to, the provisions of Section 859-a and subdivision one of Section 862; and the provisions of subdivision one of Section 862 of the General Municipal Law will not be violated if Financial Assistance is provided for the Project.
- J. Compliance with Federal, State, and Local Laws. The applicant is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.
- K. False or Misleading Information. The applicant understands that the submission of any knowingly false or knowingly misleading information may lead to the immediate termination of any Financial Assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.
- L. Absence of Conflicts of Interest. The applicant acknowledges that the members, officers and employees of the Agency are listed on the Agency’s

website. No member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

none

- M. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency are included in the Agency's Policies which can be accessed at <http://ulstercountyny.gov/economic-development/ulster-county-industrial-development-agency/policies>.

CERTIFICATION

I certify that I have prepared the responses provided in this Questionnaire and that, to the best of my knowledge; such responses are true, correct, and complete.


I understand that the foregoing information and attached documentation will be relied upon, and constitute inducement for, the Agency in providing financial assistance to the Project. I certify that I am familiar with the Project and am authorized by the Company to provide the foregoing information, and such information is true and complete to the best of my knowledge. I further agree that I will advise the Agency of any changes in such information, and will answer any further questions regarding the Project prior to the closing.

I affirm under penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge.

Date signed: August 23, 2017

Name of person completing the application on behalf of the Company.

Name: Charles Blachman
Title: Member
Phone Number: 212-505-5270
Address: 161 Chrystie Street, NY, NY 10002

Signature: 

NOTE: APPLICANT MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 31.

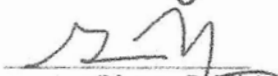
HOLD HARMLESS AGREEMENT

Applicant hereby releases Ulster County Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the application or the project described therein or tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein; and (C) any further action taken by the Agency with respect to the Project, including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(Applicant)

BY:  _____

Sworn to before me this
23 day of Aug, 2017


(Notary Public)

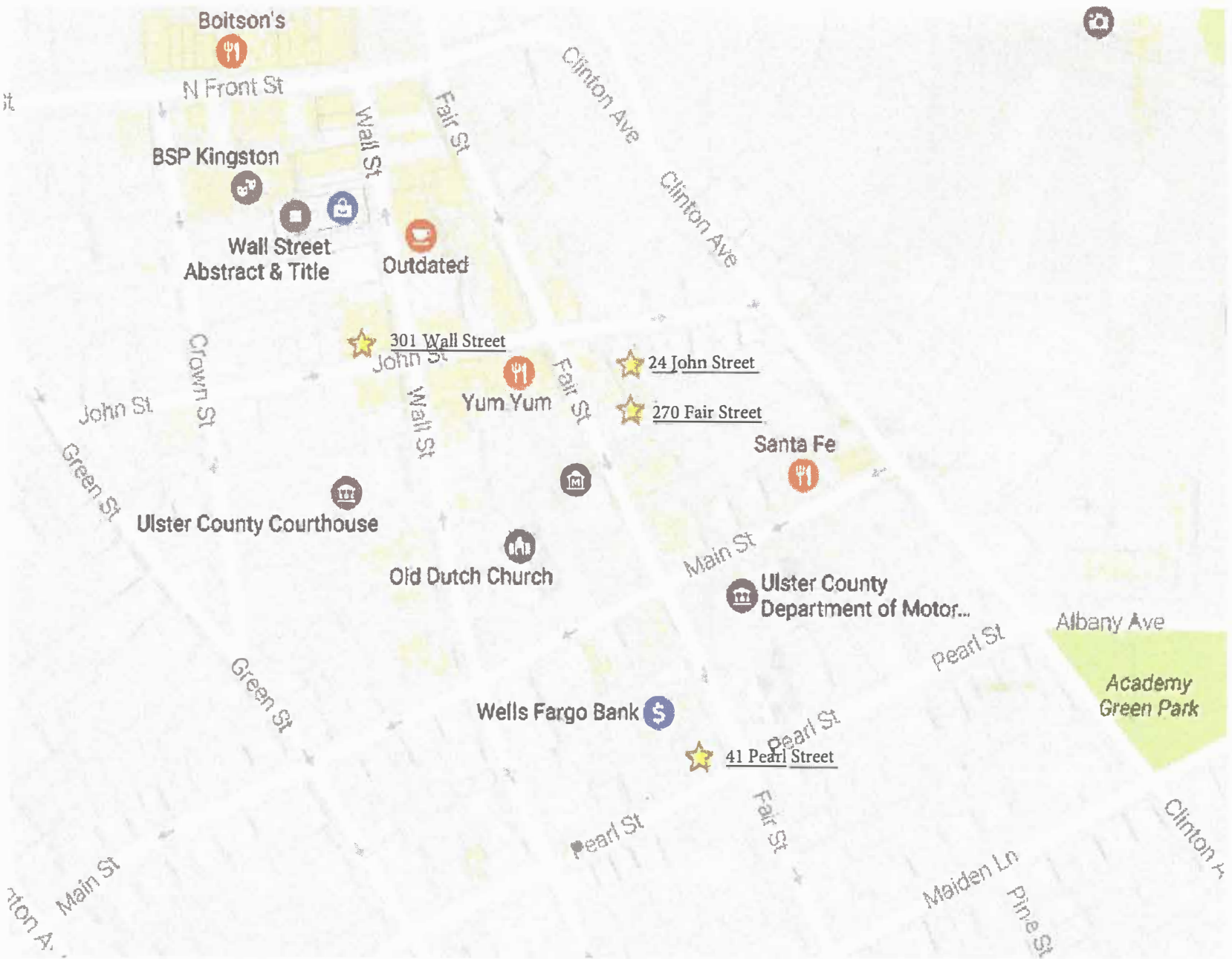
GINA VIGNA
Notary Public, State of New York
No. 01V16138923
Qualified in Kings County
Commission Expires 12/27/2017

Appendix

Appendix A
Appendix B
Appendix C
Appendix D

Property Summary
Construction Schedule
Photos of 4 Properties, SBL, Sq.Ft.
Ownership Structure

Appendix A -1



Appendix

APPENDIX A -2

OWNER
HVKD LLC
161 Christy
New York, New York 1002

8/24/2017

Representative
Nan Potter

Property Descriptions:

<u>Address</u>	<u>Sale Price</u>	<u>Sq.Ft.</u>	<u>Closing Date</u>
41 Pearl St. Kingston NY 48.331-6-11 3 Level 14 Rooms Useable Basement	\$730,000.00	9644	10/8/2016
270 Fair St. Kingston NY 48.331-4-20 3 Level 1 Commercial Space 11 Rooms	\$585,000.00	4908	9/30/2016
24 John St. Kingston, NY 48.331-4-2 2 Level 8 Rooms Barn TBD	\$525,000.00	3752	9/30/2016
301 Wall St Kingston, NY 48.331-1-19 3 Levels Restaurant Main level 11 Rooms	\$925,000.00	8200	9/20/2016
TOTAL	\$2,765,000.00		



Photo
Photo 1 of 2

Photo for 48.331-6-11 in City of Kingston



Photo

Photo for 48.331-4-20 in City of Kingston



Photo
Photo 1 of 2

Photo for 48.331-4-2 in City of Kingston

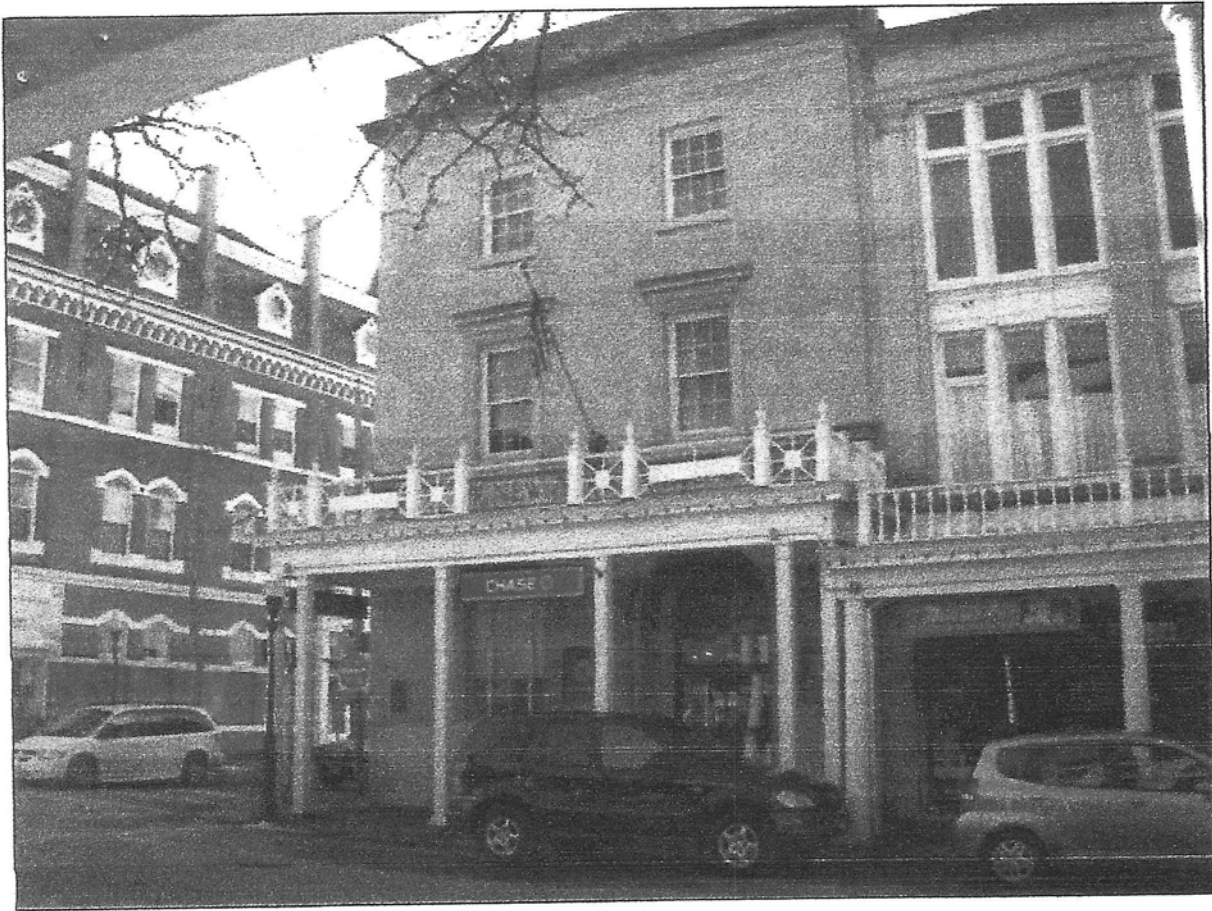
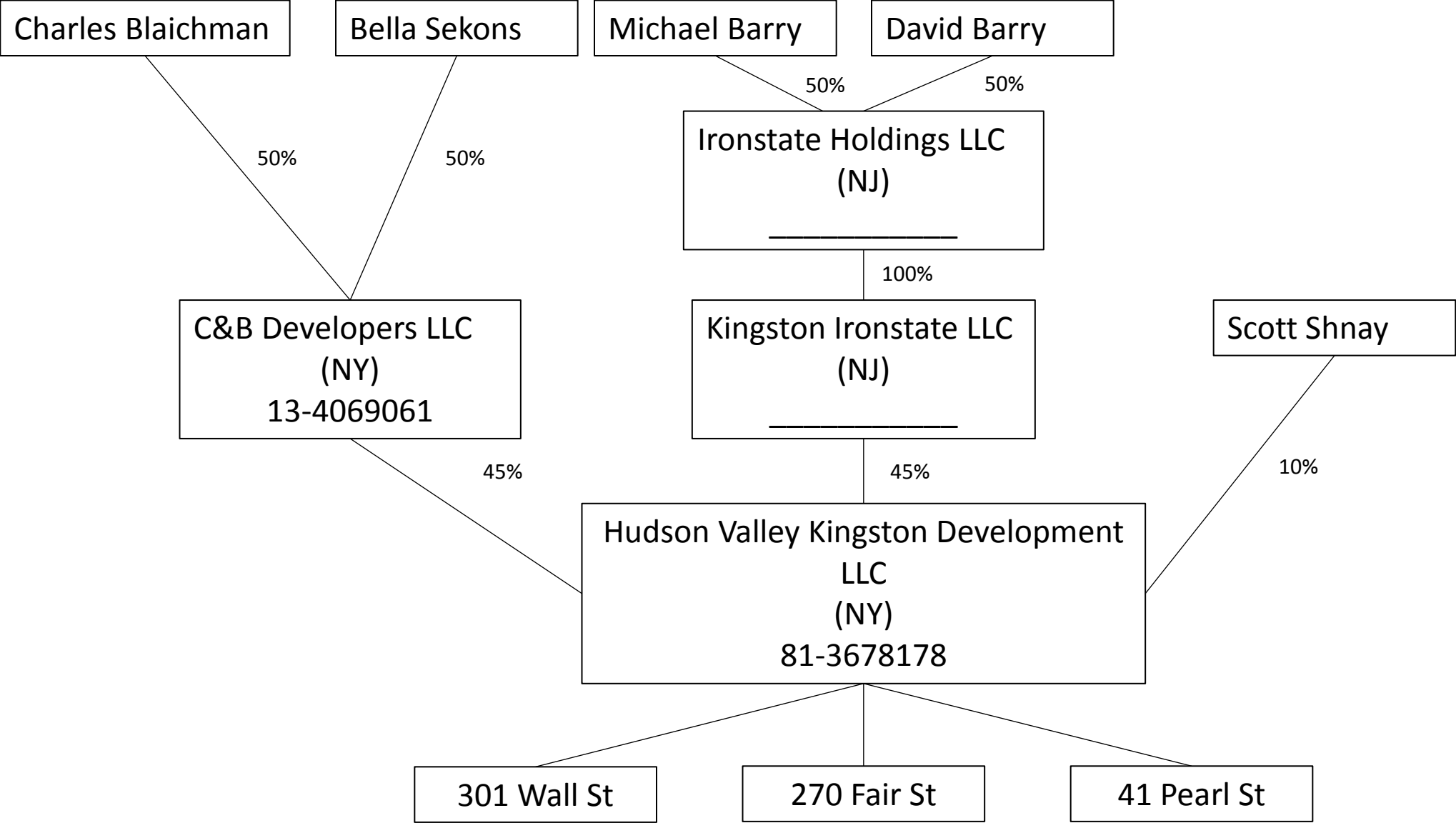


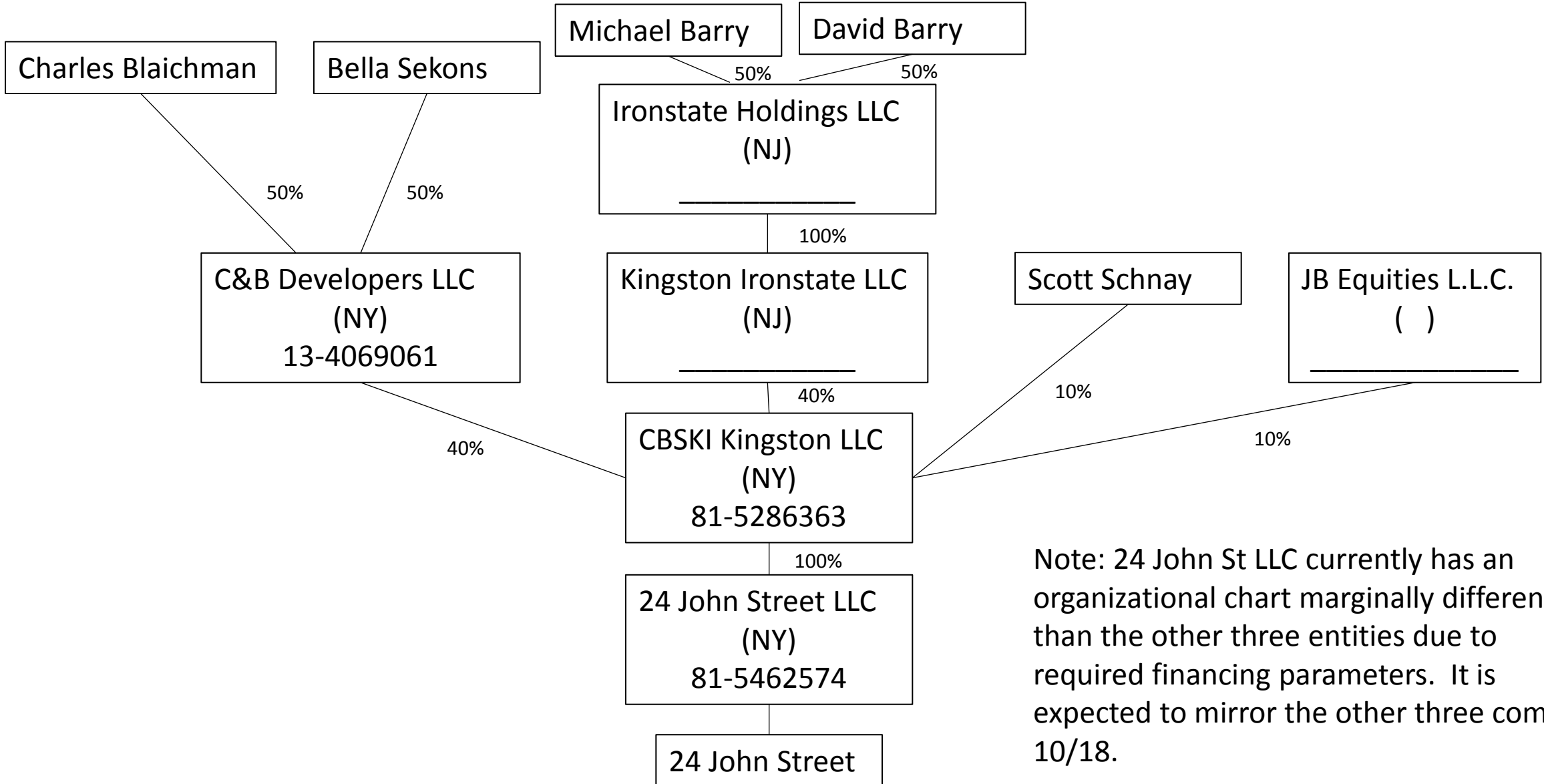
Photo
Photo 1 of 2

Photo for 48.331-1-19 in City of Kingston

Hudson Valley Kingston Development LLC 81-3678178



**24 John Street LLC
81-5462574**



Note: 24 John St LLC currently has an organizational chart marginally different than the other three entities due to required financing parameters. It is expected to mirror the other three come 10/18.