# 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: Star Estate Development Group
APPLICANT'S STREET ADDRESS: 1835 Broadway
APPLICANT'S MAILING ADDRESS: PO Box 43
CITY: West Park STATE: NY ZIP: 12493 PHONE: 917-941-1304
FAX: EMAIL: paul@helioshospitality.com EMPLOYER'S ID NO.: 47-4599492

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION:
Paul Seres

IF APPLICANT IS REPRESENTED BY AN ATTORNEY, COMPLETE THE FOLLOWING:
NAME OF FIRM: Risely and Moriello
NAME OF ATTORNEY: Michael Moriello
ATTORNEY'S STREET ADDRESS: 111 Green St.
ATTORNEY'S MAILING ADDRESS: 111 Green St.
CITY: Kingston STATE: NY ZIP: 12402 PHONE: 845-338-6603
FAX: EMAIL: mamrfr@aol.com

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

RECEIVED
MAR 7 2016
ULSTER COUNTY OFFICE OF
ECONOMIC DEVELOPMENT

# 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. PS _____

# APPLICANT CHECKLIST

| | |
|---|---|
| 1. Date *Draft* Application emailed to Agency staff for analysis and feedback: | 1/7/16 |
| 2. Date of Meeting with Agency Staff for Review of Application: | 1/12/16 |
| 2. Date *Final* Application Completed and Digital Version Emailed to Agency: | |
| 3. Date **Two** Hard Copies of Application Signed and Notarized: | |
| 4. Date **Two** Copies of Application Delivered with $500 Application Fee: | |
| 5. Approval of Inducement/Public Hearing Resolution: | |
| 6. Date Scheduled for Public Hearing: | |
| 7. Date of Approval of SEQRA Resolution: | |
| 8. Date of Final Approval of Application: | |
| 9. Date of Closing: | |

TABLE OF CONTENTS

**PROPOSED OCCUPANT** ..... **5**

IDENTITY OF COMPANY ..... 5
MANAGEMENT OF COMPANY ..... 6
PRINCIPAL OWNERS OF COMPANY ..... 6
COMPANY'S PRINCIPAL BANK(S) ACCOUNT(S) ..... 7

**PROJECT ELEMENTS** ..... **7**

DESCRIPTION OF THE PROJECT ..... 7
LOCATION OF THE PROJECT ..... 7
DESCRIPTION OF THE PROJECT SITE ..... 7
DESCRIPTION OF PROPOSED CONSTRUCTION ..... 9
DESCRIPTION OF THE EQUIPMENT ..... 10
PROJECT USE ..... 11
SALES AND USE TAX EXEMPTION ..... 14

**LEASES OR SUBLEASES** ..... **15**

**EMPLOYMENT IMPACT** ..... **17**

FULL-TIME EQUIVALENT (FTE) EMPLOYMENT INFORMATION ..... 17
PROJECTED CONSTRUCTION EMPLOYMENT IMPACT ..... 20
PROJECTED PERMANENT EMPLOYMENT IMPACT ..... 20
PROJECTED SKILLS NEEDED FOR NEW JOBS ..... 20

**PROJECT COST** ..... **21**

ANTICIPATED PROJECT COSTS ..... 21

**FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY** ..... **23**

FINANCING ..... 23
TAX BENEFITS ..... 24

**COMMUNITY COSTS AND BENEFITS** ..... **25**

ANTICIPATED COMMUNITY BENEFITS ..... 25
ANTICIPATED COMMUNITY COSTS ..... 28

**REPRESENTATIONS BY THE APPLICANT** ..... **29**

JOB LISTINGS ..... 29
FIRST CONSIDERATION FOR EMPLOYMENT ..... 30
ANNUAL SALES TAX FILINGS ..... 30
ANNUAL EMPLOYMENT REPORTS ..... 30
ABSENCE OF CONFLICTS OF INTEREST ..... 30
AGENCY ENFORCEMENT POLICY ..... 30

**CERTIFICATION AND SIGNATURE** ..... **31**

**VERIFICATION** ..... **32**

IF APPLICANT IS A CORPORATION ..... 32
IF APPLICANT IS A PARTNERSHIP ..... 33
IF APPLICANT IS A LIMITED LIABILITY COMPANY ..... 34
IF APPLICANT IS A SOLE PROPRIETOR ..... 35

**HOLD HARMLESS AGREEMENT** ..... **36**

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

A. Identity of Company:

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: 7/2015

   ☑ Yes ☐ No Authorized to do business in New York?

   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:

   N/A

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:

   N/A

B. Management of Company:

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

| Name and Home Address | Office Held | Other Principal Business |
|---|---|---|
| Paul Seres 4-75 48th Avenue, Apt. 2407 Long Island City, NY 11109 | Managing Member | Owner/Operator of eating and drinking establishments |
| Charles Ferri 456 West 50th Street, New York, NY 10019 | Managing Member | Spirits Producer |
| | | |
| | | |
| | | |

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:

   N/A

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

| Name | Address | Percentage of Holding |
|---|---|---|
| Paul Seres | 4-75 48th Avenue Long Island City, NY 11109 | 45 |
| Charles Ferri | 456 West 50th Street New York, NY 10019 | 46 |
| | | |
| | | |
| | | |

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

JP Morgan Chase

## II. PROJECT ELEMENTS

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

The Star Estate will be the home to a craft distillery, a 25 room hotel with a full service restaurant, and an event and catering facility, located on a 27 acre estate in Esopus.

B. Location of the Project:

1. Street Address: 1835 Broadway
2. SBL Numbers: 8 01-4 5.200
3. City:
4. Town: Esopus
5. Village of:
6. County of: Ulster

C. Description of the Project Site:

1. Approximate size (in acres or square feet) of the Project site: 27.3

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

2. ☑ Yes ☐ No Are there existing buildings on the Project si te?

   a. If yes, indicate the number of buildings on the site: 2

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

   The primary structure is approximately 24,000 sq ft. There is a small shed that is approximately 100 sq ft.

   b. ☐ Yes ☑ No Are the existing buildings in operation?

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

   N/A

c. ☐ Yes ☑ No Are the existing buildings abandoned?
☐ Yes ☑ No About to be abandoned?

If yes, describe:

N/A

3. Utilities serving the Project site:

| | |
|---|---|
| Water – Municipal: | N/A |
| Other (describe) | Well located on the property |
| Sewer – Municipal | N/A |
| Other (describe) | Sewage treatment sand field located on the property |
| Electric – Utility | Central Hudson |
| Other (describe) | N/A |
| Heat – Utility | Oil Burning Furnace-Changing to a gas split system |
| Other (describe) | Gas supplied by Central Hudson |

4. Present legal owner of the Project site:
Star Estate Development Group

a. If the Company owns the Project site:

| | |
|---|---|
| Date of Purchase: | October 20, 2015 |
| Purchase Price: | 583000 (Not including closing costs) |

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

N/A

5. Zoning District in which the Project is located R-40

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:

Farm Distilling License
Special Use Permit for Hotel, Restaurant/Bar, and Events

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:

N/A

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:

1 structure of 24,000 sq. ft. to be fully renovated and transformed from dormitory and school to hotel, distillery, and event space
1 structure to be renovated to house back up generator and other life saving systems

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

The large building will be used solely as a hotel, restaurant, outdoor patio and pool, special event space and distillery.

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.:

N/A

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:

Distilling Equipment, including copper pot still, plumbing, pumps, bottling equipment
Commercial kitchen equipment and fixtures
Various Farm and Landscaping equipment

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

If yes, please provide detail:

N/A

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

   Manufacturing and packaging of craft spirits
   Maintenance of landscaping and agricultural
   Food and Beverage Preparation

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

   Preliminary discussions with equipment manufacturer are on going.

F. Project Use

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

   Craft distilled vodkas, gins, and whiskeys

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

   Lodging for guests, eating and drinking, agritourism, distillation of spirits, distillery tours, wellness activities (i.e. yoga), weddings, tastings, special events, etc.

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

   If yes, please provide detail:

   We will be hosting distillery tours along with tours of the grounds. Additionally, we will be focusing on weddings and special events as a core business model for the property.
   The restaurant will be open to the public as well as the hotel.

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:

      N/A

   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:

      The property will attract visitors interested in craft spirits manufacturing. It will also attract guest of special events to be held on-site including weddings. Outside, the property will be a hotel for any visitor coming to the area looking for a unique lodging experience.

   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:

      N/A

   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:

N/A

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:

N/A

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:

N/A

7. ☐ Yes ☑ No Will the completion of the Project result in the removal of a plant or facility of the Com pany 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:

N/A

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:

N/A

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?

III. LEASES OR SUBLEASES

A. ☐ Yes ☑ No Does the Company intend to lease or sublease more then 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 separat e 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? N/A

IV. EMPLOYMENT IMPACT.

A. Full-Time Equivalent (FTE) Employment Information.

The New York State Authority Budget Office requires the Agency to collect and monitor full-time equivalent (FTE) information about its projects. The Agency defines "FTE" as 35 hours of employment or more weekly. Therefore, please furnish the information below for your organization.

1. **Current** Employees. (At the time of Application)

| Current Full-time Employees | | | |
|---|---|---|---|
| (A) | In our organization a full-time employee works | | 40 hours per week |
| (B) | Current number of full-time employees | (with A weekly hours): | 0 |
| (C) | Current total number full-time hours worked per week | (=A x B): | 0 |
| (D) | Current total number of full-time FTE's | (= C ÷ 35): | 0.00 |
| Current Part-time Employees | | | |
| (E) | Current total number of part-time employee hours worked per week | | 0 hours per week |
| (F) | Current total number of part-time FTE's | (= E ÷ 35): | 0.00 |
| Current Seasonal Employees | | | |
| (G) | Current total number of weeks in seasonal employment | | 0 weeks |
| (H) | Current seasonal proration percentage | (= G ÷ 52): | 0.00 |
| (I) | Current total number of seasonal hours worked per week (during season) | | 0 |
| (J) | Current total number of season FTE's | (= H x I ÷ 35): | 0.00 |
| Current Total Employees | | | |
| (K) | Current total number of FTEs | (= D + F+ J): | 0.00 |

| | | | |
|---|---|---|---|
| (L) | If some current employees will not be retained, please break down on a separate sheet the number of full-time, part-time and seasonal employees who will not be retained and when they will be terminated. | | |
| Average Wages and Benefits | | | |
| (M) | Total weekly payroll with benefits for all fulltime employees | | 0 |
| (N) | Total weighted weekly payroll with benefits for all part-time employees | Multiply each part-time employee's weekly wage/salary (with benefits) by its percentage of FTE and take the sum of all these products | 0.00 |
| (O) | Weighted current average salary with benefits | (M + N) ÷ total FTEs (A1(K) above) | NaN |

2. **New** permanent employees projected to be hired by end of third year after UCIDA approval

| New Full-time Employees | | | |
|---|---|---|---|
| (A) | Number of new full-time employees | (with 1A weekly hours): | 30.00 |
| (B) | Total num ber new full-time hours per week | (= 1A x 2A): | 1,200.00 |
| (C) | Total number of new full-time FTE's | (= B ÷ 35] | 34.29 |
| New Part-time Employees | | | |
| (D) | Total number of new part-time employees: | | 0 |

| | | | |
|---|---|---|---|
| (E) | Total num ber of hours per week worked by new part-time employees. | | 0 |
| (F) | Total number of new part-time FTE's | (=E ÷ 35): | 0.00 |
| New Seasonal Employees | | | |
| (G) | Total number of expected weeks of seasonal employment: | | 0 |
| (H) | Estimated seasonal proration percentage | (= G ÷ 52): | 0.00 |
| (I) | Total number of new seasonal hours per week worked during season | | 0 |
| (J) | Total number of new seasonal FTE's | (= H x I ÷ 35): | 0.00 |
| Total New Employees and Wage Averages | | | |
| (K) | Total number of new FTEs | (= C +F + J): | 34.29 |
| (L) | Estimated new weighted average annual salary with benefits | (= projected total new weekly payroll $ 15,244.00 + benefit s $ 4,107.00 ÷ total FTE's K) x 52: | $ 29349 016911241808 |
| (M) | Estimated salary range with benefits | Low: 47,548.00 | High: 127,000.00 |

3. Construction jobs.

| | | | |
|---|---|---|---|
| (A) | Estimated total weeks of construction for project: | | 52.00 weeks |
| (B) | Construction proration percentage | (= A ÷ 52): | 1.00 |
| (C) | Total num ber of hours per week worked by construction employees. | | 1200 |
| (D) | Total number of construction FTE's | (=C x B ÷ 35) | 34.29 |

B. Projected Construction Employment Impact.

Please provide estimates of total construction jobs, wages and benefits, and employee income tax from the project:

| Year | Construction Jobs | Total Construction Jobs Total Annual Wages and Benefits | Estimated Additional Construction Employees NYS Income Tax |
|---|---|---|---|
| Current | N/A | $ N/A | $ N/A |
| Year 1 | 30 | $ 1497600 | $ 269568 |
| Year 2 | N/A | $ N/A | $ N/A |
| Year 3 | N/A | $ N/A | $ N/A |

C. Projected Permanent Employment Impact.

Please provide estimates of total existing permanent jobs to be preserved or retained as a result of the Project.

| Year | Existing Jobs (Show reductions if plans include eliminating positions) | New Jobs (Annual wages and benefits) | Estimated Additional NYS Income Tax |
|---|---|---|---|
| Current | 0 | 0 | $ 0 |
| Year 1 | 0 | 18 | $ 301179 |
| Year 2 | 18 | 10 | $ 112320 |
| Year 3 | 28 | 5 | $ 43200 |

D. Projected Skills Needed for New Jobs.

Please list projected skills that will be required for the new permanent jobs to be created by the applicant through the project, as follows:

| Skills Required for New Jobs | Number of Positions Created | Wage Rate |
|---|---|---|
| Hotel Operations | 3 | 24 |
| Kitchen Operations | 5 | 18 |
| Distillery Operations | 2 | 22 |
| Event Specialists | 2 | 20 |
| Building Engineering | 2 | 25 |
| | | |

V. PROJECT COST

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:

PROJECTED PROJECT INVESTMENT

| | | | |
|---|---|---|---|
| 1. | Land Related Costs | | |
| | (a) | Land acquisition | $ 613000 |
| | (b) | Site preparation | $ 100000 |
| | (c) | Landscaping | $ 500000 |
| | (d) | Utilities and infrastructure development | $ 100000 |
| | (e) | Access roads and parking development | $ 75000 |
| | (f) | Other land-related costs (describe): | |
| | | | |
| | | | |
| | | | |
| 2. | Building Related Costs | | |
| | (a) | Acquisition of existing structures | $ |
| | (b) | Renovation of existing structures | $ 4700000 |
| | (c) | New construction costs | $ 1405000 |
| | (d) | Electrical systems | $ 295000 |
| | (e) | Heating, ventilation and air conditioning | $ 375000 |
| | (f) | Plumbing | $ 275000 |
| | (g) | Other building related costs (describe): | |
| | | Emergency Generator | 200000 |
| | | New sprinkler and fire alarm system | 235000 |
| | | New swimming pool and terrace/Service Court | 350000 |
| 3. | Machinery and Equipment Costs | | |
| | (a) | Production and process equipment | $ 555000 |
| | (b) | Packaging equipment | $ 25000 |
| | (c) | Warehousing equipment | $ 30000 |
| | (d) | Installation costs for various equipment | $ 50000 |

| | | | |
|---|---|---|---|
| | (e) | Other equipment related costs (describe): | |
| | | New Elevator | 200000 |
| | | Maintenance equipment/vehicles | 100000 |
| | | | |
| 4. | Furniture and Fixture Costs | | |
| | (a) | Office furniture | $ 10000 |
| | (b) | Office equipment | $ 10000 |
| | (c) | Computers | $ 30000 |
| | (d) | Other furniture related costs (describe): | |
| | | FF&E | 450000 |
| | | | |
| | | | |
| 5. | Working Capital Costs | | |
| | (a) | Operation costs | $ 200000 |
| | (b) | Production costs | $ 500000 |
| | (c) | Raw materials | $ 50000 |
| | (d) | Debt service | $ 70000 |
| | (e) | Relocation costs | $ N/A |
| | (f) | Skills training | $ N/A |
| | (g) | Other working capital related costs (describe): | |
| | | | |
| | | | |
| | | | |
| 6. | Professional Service Costs | | |
| | (a) | Architecture and engineering | $ 650000 |
| | (b) | Accounting/legal | $ 150000 |
| | (c) | Other service related costs (describe) | |
| | | | |
| | | | |
| | | | |
| 7. | Other Costs | | |
| | (a) | | $ |

| | | | |
|---|---|---|---|
| | (b) | | $ |
| 8. | Summary of Expenditures | | |
| | (a) | Total Land Related Costs | $ 1388000 |
| | (b) | Total Building related Costs | $ 7835000 |
| | (c) | Total Machinery and Equipment Costs | $ 960000 |
| | (d) | Total Furniture and Fixture Costs | $ 500000 |
| | (e) | Total Working Capital Costs | $ 820000 |
| | (f) | Total Professional Service Costs | $ 800000 |
| | (g) | Total Other Costs | $ 0 |
| | (h) | Total Project Costs (Sum of (a)-(g)) | $ 12303000 |

B. ☑ Yes ☐ No Have any of the above expenditures already been made by the applicant?

If yes, indicate particulars:

Property acquisition, SPDES application, SEQR application, land use permitting, civil engineering, master site plan creation, archeological consultant, hydro-geologist

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 ☐ No

   b. Automobile sales or service: ☐ Yes ☐ No

   c. Recreation or entertainment: ☐ Yes ☐ No

   d. Golf course: ☐ Yes ☐ No

   e. Country club: ☐ Yes ☐ No

f. Massage parlor: ☐ Yes ☐ No

g. Tennis club: ☐ Yes ☐ No

h. Skating facility (including roller skating, skateboard and ice skating: ☐ Yes ☐ No

i. Racquet sports facility: ☐ Yes ☐ No

j. Handball and racquetball court: ☐ Yes ☐ No

k. Hot tub facility: ☐ Yes ☐ No

l. Suntan facility: ☐ Yes ☐ No

m. Racetrack: ☐ Yes ☐ No

n. Airplane: ☐ Yes ☐ No

o. Skybox or private luxury box: ☐ Yes ☐ No

p. Health club facility: ☐ Yes ☐ No

q. Gambling: ☐ Yes ☐ No

r. Sale of alcoholic beverages for consumption off premises: ☐ Yes ☐ No

4. NAICS Code(s): 72111

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? $7000000

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? $5000000

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: $400000

   b. Mortgage Recording Taxes: $52500

   c. Real Property Tax Exemptions: $1965088

d. Amount of bonds sought: $

Estimated interest savings over life of bond $

e. Other (please specify):

$

$

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

a. Village (if any): West Park

b. Town (if any): Esopus

c. City (if any):

d. School District: 274-Highland

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:

N/A

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

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: $
   b. Estimated new sales and use taxes:

| | |
|---|---|
| Additional Purchases (1st year following project completion | $ 2412105 |
| Additional Sales Tax Paid on Additional Purchases | $ 192968 |

| | |
|---|---|
| Estimated Additional Sales (1st year following project completion | $5478251 |
| Estimated Additional Sales Tax to be collected on additional sales (1st full year following project completion) | $438260 |

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)

| Year | Existing Real Property Taxes | New Real Property Taxes | New PILOT Payments | Total |
|---|---|---|---|---|
| Current Year | $32,483 | $0 | $0 | $32,483 |
| Year 1 | $32,483 | $0 | $0 | $32,483 |
| Year 2 | $32,483 | $0 | $0 | $32,483 |
| Year 3 | $32,483 | $0 | $0 | $32,483 |
| Year 4 | $32,483 | $0 | $0 | $32,483 |
| Year 5 | $32,483 | $0 | $0 | $32,483 |
| Year 6 | $32,483 | $0 | $57,842 | $90,325 |
| Year 7 | $32,483 | $0 | $57,842 | $90,325 |
| Year 8 | $32,483 | $0 | $57,842 | $90,325 |
| Year 9 | $32,483 | $0 | $115,684 | $148,167 |
| Year 10 | $32,483 | $0 | $115,684 | $148,167 |
| Year 11 | $32,483 | $0 | $138,821 | $171,304 |
| Year 12 | $32,483 | $0 | $161,957 | $194,440 |
| Year 13 | $32,483 | $0 | $185,094 | $217,577 |
| Year 14 | $32,483 | $0 | $208,231 | $240,714 |
| Year 15 | $32,483 | $0 | $219,799 | $252,282 |

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)

      ☐ $16.26
      ☑ $20.00
      ☐ $25.00

   b. ☑ Yes ☐ No During the construction phase 90% of employment will be region al labor (i.e. from Ulster, Sullivan, Greene, Columbia, Dutchess. and/or Orange Counties)? Or

      ☑ Yes ☐ No Applicant will make best efforts to use regional labor during construction phase.

      If yes, Applicant is required to provide monthly documentation to support this claim.

   c. Of the construction workforce:

      ☐ At least 50%
      ☑ At least 75%

      will be paid prevailing wages. (See definitions of prevailing wages for Ulster County posted at: www.labor.ny.gov/home.). Applicant is required to submit to the UCIDA monthly certified construction payroll to support this claim.

6. Improvements to the community or the property:

   The Star Estate will attract additional tourism to the area as well as fill a much needed void for lodging options.

7. New useful products or services:

   In addition to our hospitality, The Star Estate will produce a product line of craft spirits with 80% having raw materials sourced from New York State as well as Ulster County.

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

   We will be selling our distilled spirit products locally as well as to other licensed establishments in the area.

9. Environmental sustainability benchmarks:
   a. ☐ Yes ☑ No Reuse/rehabilitation of existing industrial site or construction in a shovel-ready site/designated business park
   b. ☑ Yes ☐ No LEEDS certified (www.usgbc.org) or significant renewable energy utilization through the use of photovoltaic energy array
   c. ☐ Yes ☑ No Reclaim a brownfield
   d. ☑ Yes ☐ No LEEDS certified silver or higher
10. Community investment benchmarks:
   a. ☑ Yes ☐ No Project easily accessible using public transportation (bus stop within 1/4 mile)
   b. ☑ Yes ☐ No Development in ec onomically distressed area of Ulster County, as defined by the US Economic Development Administration
   c. ☑ Yes ☐ No Needed industry or service in the local economy as defined by Ulster County or local comprehensive or economic development plan
11. Education and workforce development benchmarks?
   a. ☑ Yes ☐ No Post employment op enings and collaborate with the Ulster County Workforce Investment Board/ 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)
12. Project includes a workforce housing component, i.e., supportive housing for seniors or the disabled or moderately priced dwelling units that families earning 60% to 120% of the area median income can purchase or rent. [0 ]
13. Other benefits to the Ulster County community:

    Adding hotel rooms to the area and adding a unique attraction for tourism. Additionally, the property's previous owner, utilized the property as a religious school and thus keeping the property off the tax roll for nearly a century.

B. Anticipated Community Costs

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

2. Buildings vacated

There are presently two buildings on the property that have been vacated and unused since 2002.

3. Publicly funded infrastructure required

| Type of infrastructure required | Estimated cost |
|---|---|
| N/A | $ N/A |
| | $ |
| | $ |
| | $ |

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 |
|---|---|
| N/A | $ N/A |
| | $ |
| | $ |
| | $ |

5. Environmental costs (please fill out, separate Environmental Assessment Form)
6. Other costs to the community:

N/A

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 entities of the service delivery area created by the Federal Job Training Partnership Act (Public Law 97-300)(the "OET Law") 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 (including any tenants located in the Project), with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

E. Absence of Conflicts of Interest. The applicant has received from the Agency a list of the members, officers and employees of the Agency. 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. If more space is required please add a page.

I confirm there are no known conflicts of interest.

F. 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 Project Benefits Agreement (or equivalent agreement) that will provide, among other things, that upon the failure by the applicant to meet certain agreed upon job creation and retention levels and other requirements, the documents providing for assistance to the applic ant, including the PILOT

Agreement, will be subject to possible termination and the applicant will be subject to possible "claw-back" provisions relating to the tax abatements provided by the Agency.

## IX. CERTIFICATION AND SIGNATURE

I certify that I have prepared the responses provided in this Application 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 fin ancial 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 to sign the application, 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 hereby swear, or affirm, under penalty of perjury and other potential criminal penalties that the statements made by me in this application are true.

Name of Person Completing Project Questionnaire on behalf of the Company

| | |
|---|---|
| Printed Name: | PAUL SERES |
| Title: | Managing Member |
| Date: | 2/23/16 |
| Telephone: | 917 941-1304 |
| Signature: | |

NOTE: Applicant must also complete the verification appearing on pages 32 through 35 hereof before a notary public and must sign and acknowledge the hold harmless agreement appearing on page 36.

VERIFICATION

(If Applicant is a Limited Liability Company)

STATE OF: NEW YORK

COUNTY OF: NEW YORK

PAUL SERES, deposes and says that he is the
(Name of officer of applicant)

MANAGING MEMBER of STAR ESTATE DEV. GROUP
(Title) (Company Name)

The Company named in the attached application; that he has read the foregoing application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. Deponent further says that the reason this verification is made by the deponent and not by said Company is because the said Company is a limited liability company. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are inv estigations which deponent has caused to be made concerning the subject matter of this application as well as information acquired by deponent in the course of his duties as an officer of and from the books and papers of said Company.

(Officer of applicant)

Sworn to before me this

23rd day of February, 2016

Notary Public

ROBERT CORBETT
NOTARY PUBLIC-STATE OF NEW YORK
No. 02CO6221832
Qualified in Suffolk County
My Commission Expires May 10, 2018

## HOLD HARMLESS AGREEMENT

Applicant hereby releases the 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 the 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 attorney's fees, if any.

(Applicant)

By: Paul Sacco

Title: Managing Member

Sworn to before me this

23rd day of February, 2016

Robert Corbett
Notary Public

ROBERT CORBETT
NOTARY PUBLIC-STATE OF NEW YORK
No. 02CO6221832
Qualified in Suffolk County
My Commission Expires May 19, 2018