

**CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY**  
**APPLICATION**

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financing and other assistance from City of Newburgh 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 acceptance by the Agency.

TO: City of Newburgh Industrial Development Agency  
83 Broadway, 3<sup>rd</sup> Floor  
PO Box 1298  
Newburgh, New York 12551  
Attention: Chairman

This application by applicant respectfully states:

APPLICANT: Grand Street Newburgh Property Co, LLC and FSH Newburgh Hotel, LLC

APPLICANT'S STREET ADDRESS: 4053 State Route 52, / P.O. Box 595

CITY: Youngsville STATE: NY ZIP CODE: 12791

PHONE NO.: [REDACTED] FAX NO.: \_\_\_\_\_ E-MAIL: [REDACTED]

NAME OF PERSON(S) AUTHORIZED TO SPEAK FOR APPLICANT WITH RESPECT TO THIS APPLICATION: Sims Foster, Walter Garigliano

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

NAME OF FIRM: Garigliano Law Offices, LLP

NAME OF ATTORNEY: Walter Garigliano

ATTORNEY'S STREET ADDRESS: 449 Broadway

CITY: Monticello STATE: NY ZIP CODE: 12701

PHONE NO.: [REDACTED] FAX NO.: \_\_\_\_\_ E-MAIL: [REDACTED]

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NOTE: PLEASE READ THE INSTRUCTIONS ON PAGE 2 BEFORE FILLING OUT THIS APPLICATION.  
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## INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary contain 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 which 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.
6. The Agency will not give final approval to this application until the Agency receives a completed environmental assessment form 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 (to the extent such expenses are not paid out of the proceeds of the Agency's bonds issued to finance the project). The applicant will also be expected to pay all costs incurred by general counsel and bond counsel/special counsel to the Agency. The costs incurred by the Agency, including the Agency's general counsel and bond counsel, may be considered as a part of the project and included as a part of the resultant bond issue.
9. The Agency has established an application fee of One Thousand Dollars (\$1,000) 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. The Agency has established a project fee for each project in which the Agency participates. **UNLESS THE AGENCY AGREES IN WRITING TO THE CONTRARY, THIS PROJECT FEE IS REQUIRED TO BE PAID BY THE APPLICANT AT OR PRIOR TO THE GRANTING OF ANY FINANCIAL ASSISTANCE BY THE AGENCY.**

FOR AGENCY USE ONLY

1.	Project Number	
2.	Date application Received by Agency	, 20
3.	Date application referred to attorney for review	, 20
4.	Date copy of application mailed to members	, 20
5.	Date notice of Agency meeting on application posted	, 20
6.	Date notice of Agency meeting on application mailed	, 20
7.	Date of Agency meeting on application	, 20
8.	Date Agency conditionally approved application	, 20
9.	Date scheduled for public hearing	, 20
10.	Date Environmental Assessment Form ("EAF") received	, 20
11.	Date Agency completed environmental review	, 20
12.	Date of final approval of application	, 20

SUMMARY OF PROJECT

Applicant: Grand Street Newburgh Property Co, LLC and FSH Newburgh Hotel, LLC

Contact Person: Sims Foster

Phone Number: 347-451-5295

Occupant: FSH Newburgh Hotel, LLC

Project Location: 48-54-62 Grand Street, Newburgh, NY

Approximate Size of Project Site: 1.78 acres

Description of Project: Hotel, Events, Spa, and Dining Facility

Type of Project:  Manufacturing  Warehouse/Distribution  
 Commercial  Not-For-Profit  
 Other-Specify

Employment Impact: Existing Jobs N/A

New Jobs 61 FTE (est.)

Project Cost: \$24,450,000

Type of Financing:  Tax-Exempt  Taxable  Straight Lease

Amount of Bonds Requested: \$ N/A

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ 462,310	(4%)
Mortgage Recording Taxes:	\$ 192,150	
Real Property Tax Exemptions:	\$ 3,588,482	
Other (please specify): County Sales Tax:	\$ 476,757	(4.25%)

Provide estimates for the following:

Number of Full Time Employees at the Project Site before IDA Status:	<u>0</u>
Estimate of Jobs to be created:	<u>61 FTE (est.)</u> (does not include independent contractors)
Estimate of Jobs to be retained:	<u>0</u>
Average Estimated Annual Salary of Jobs to be created:	<u>\$ 35,955.07</u>
Annualized Salary Range of Jobs to be created:	<u>\$30,000-\$100,000</u>
Estimated Average Annual Salary of Jobs to be retained:	<u>\$0</u>

**I. INFORMATION CONCERNING THE PROPOSED OCCUPANT OF THE PROJECT (HEREINAFTER, THE "COMPANY").**

**A. Identity of Company:**

1. Company Name: FSH Newburgh Hotel, LLC

Present Address: 4053 State Route 52, / P.O. Box 595, Youngsville, NY

Zip Code: 12791

Employer's ID No.: [REDACTED]

2. If the Company differs from the Applicant, give details of relationship: \_\_\_\_\_

Grand Street Newburgh Property Co, LLC is the property owner. FSH Newburgh Hotel, LLC is the operating company .

3. 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: 4/5/21 ; Authorized to do business in New York State? Yes  ; No \_\_\_\_\_

d.  Sole proprietorship.

4. 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: FSH Holding, LLC

**B. Management of Company:**

1. List all owners, officers, members, directors and partners (complete all columns for each person): **Members of the Sole Member**

NAME AND HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
Sims Foster [REDACTED]	Member	
Kirsten Foster [REDACTED]	Member	
Eugene Klochkoff [REDACTED]	Member	
Celeste Klochkoff [REDACTED]	Member	

2. Is the Company or management of the Company now a plaintiff or a defendant in any civil or criminal litigation? Yes \_\_\_\_; No .
3. Has any person listed above ever been convicted of a criminal offense (other than a minor traffic violation)? Yes \_\_\_\_; No .
4. Has any person listed above or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes \_\_\_\_; No .
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. Is Company publicly held? Yes \_\_\_\_; No . If yes, please list exchanges where stock traded: \_\_\_\_\_  
 \_\_\_\_\_

2. If no, list all members having a 5% or more interest in the sole member:

NAME	ADDRESS	PERCENTAGE OF HOLDING
Sims Foster		
Kirsten Foster		
Eugene Klochkoff		
Celeste Klochkoff		

D. Company's principal bank(s) of account: Jeffbank, Rhinebeck Bank, Catskill Hudson Bank  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

II. DATA REGARDING PROPOSED PROJECT.

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

The project is a full service hospitality facility with eighty hotel rooms, a three meal-period restaurant, event space, a full-service spa, and a rooftop bar located on Grand Street in Newburgh. The project will involve the restoration and renovation of three historic buildings including the former Masonic Temple, former YMCA building, and the former American Legion building.

B. Location of the Project:

1. Street Address: 48-54-62 Grand Street
2. City of Newburgh
3. Town of Newburgh
4. Village of \_\_\_\_\_
5. County of Orange

C. Description of the Project site:

1. Approximate size (in acres or square feet) of the Project site: 1.78 acres . Is a map, survey or sketch of the Project site attached? Yes  ; No \_\_\_\_ .
2. Are there existing buildings on the Project site? Yes  ; No \_\_\_\_ .
  - a. If yes, indicate the number of buildings on the site: Three . Also, please briefly identify each existing building and indicate the approximate size (in square feet) of each such existing building: Three historic buildings including a former Masonic Temple (approx. 31,422 sq/ft), former YMCA (approx. 38,266 sq/ft), and former American Legion (approx. 9,384 sq/ft).
  - b. Are the existing buildings in operation? Yes \_\_\_\_ ; No  . If yes, describe present use of present buildings: The American Legion building currently has the Boys and Girls Club as tenants until the end of 2021.
  - c. Are the existing buildings abandoned? Yes \_\_\_\_ ; No  . About to be abandoned? Yes \_\_\_\_ ; No \_\_\_\_ . If yes, describe: The Masonic Temple and YMCA buildings are unoccupied while the American Legion building currently has the Boys and Girls Club as tenants until the end of 2021.
  - d. Attach photograph of present buildings.  
  
Attached in a separate document.



3. Utilities serving the Project site:

Water-Municipal: Municipal  
Other (describe) \_\_\_\_\_  
Sewer-Municipal: Municipal  
Other (describe) \_\_\_\_\_  
Electric-Utility: Central Hudson Gas and Electric  
Other (describe) \_\_\_\_\_  
Heat-Utility: Central Hudson Gas and Electric  
Other (describe) \_\_\_\_\_

4. Present legal owner of the Project site: Orange County

a. If the Company owns the Project site, indicate date of purchase: Under Contract,  
20\_\_\_\_; purchase price: \$ 1.3 Million .

b. If Company does not own the Project site, does Company have an option signed  
with the owner to purchase the Project site? Yes\_\_\_\_; No\_\_\_\_. If yes, indicate date  
option signed with the owner: \_\_\_\_\_, 20\_\_\_\_; and the date the option expires:  
, 20\_\_\_\_.

c. 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?  
Yes ; No \_\_\_\_ . If yes, describe; Company has a signed contract with Orange County.

The county has been given a down payment of \$250,000 and a closing is  
expected within the next six months.

5. a. Zoning District in which the Project site is located: Institutional District

b. Are there any variances or special permits affecting the Project site? Yes\_\_\_\_;  
No . If yes, list below and attach copies of all such variances or special permits:

Zoning has already been changed to accommodate our intended use and we will need approval  
from the city of Newburgh Planning Board. That process has begun.  
\_\_\_\_\_  
\_\_\_\_\_

D. Description of Proposed Construction:

1. Does part of the Project consist of the acquisition or construction of a new building or  
buildings? Yes\_\_\_\_; No . If yes, indicate number and size of new buildings:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Does part of the Project consist of additions and/or renovations to existing buildings located on the Project site? Yes ; No . If yes, indicate the buildings to be expanded or renovated, the size of any expansions and the nature of expansion and/or renovation: All three buildings will be renovated. The Masonic Temple building will be renovated to include event space, a full service restaurant, and a rooftop bar. The YMCA building will be renovated to include hotel rooms and a full service spa. The Legion building will be renovated to include hotel rooms.

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

The buildings will be renovated to create a full service hospitality facility with eighty hotel rooms, a three meal-period restaurant, event space, a full service spa, and a rooftop bar.

E. Description of the Equipment:

1. Does a part of the Project consist of the acquisition or installation of machinery, equipment or other personal property (the "Equipment")? Yes ; No . If yes, describe the Equipment: The equipment to be acquired and installed will be comprised of commercial kitchen equipment for multiple kitchens, bars, tables, chairs, furniture for hotel rooms and common areas, personal computers, desks, plumbing and electrical fixtures, point of sale equipment, spa treatment room equipment, hotel gym equipment, televisions, phone systems, etc.

2. With respect to the Equipment to be acquired, will any of the Equipment be Equipment which has previously been used? Yes ; No . If yes, please provide detail:

3. Describe the principal uses to be made by the Company of the Equipment to be acquired or installed: The equipment to be acquired and installed will be comprised of commercial kitchen equipment for multiple kitchens, bars, tables, chairs, furniture for hotel rooms and common areas, personal computers, plumbing and electrical fixtures, point of sale equipment, spa treatment room equipment, hotel gym equipment, televisions, phone systems, etc.

F. Project Use:

1. What are the principal products to be produced at the Project? \_\_\_\_\_  
The project is service-based and will not produce tangible products for retail sale.

- 
2. What are the principal activities to be conducted at the Project? \_\_\_\_\_  
The project is a hotel and dining facility with food and beverage operations, event space, and a full service spa.
- 
3. 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? Yes ; No \_\_\_\_\_. If yes, please provide detail: \_\_\_\_\_  
The project is a hotel and dining facility with food and beverage operations, event space, and a full service spa that will host guests and patrons on site.
- 
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. Will the Project be operated by a not-for-profit corporation? Yes \_\_\_\_; No . If yes, please explain: \_\_\_\_\_
- 
- b. Is the Project likely to attract a significant number of visitors from outside the economic development region in which the Project will be located? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please explain: We anticipate substantial demand for hotel rooms and catering from from potential guests throughout the region, state, and nation. We expect that a significant number of our guests will come from outside the economic development region.
- 
- c. Would the Project occupant, but for the contemplated financial assistance from the Agency, locate the related jobs outside the State of New York? Yes \_\_\_\_; No . If yes, please explain: \_\_\_\_\_
- 
- d. 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? Yes \_\_\_\_; No \_\_\_\_\_. If yes, please provide detail: We also expect the project to provide a convenient space for residents of the city and town of Newburgh to dine and utilize the spa facility and guest rooms. Currently, there is a high demand for these type of facilities and a lack of existing properties in the city and county able to meet the growing need for these amenities. This project will be an exemplary facility built with the intention to fulfill that need.

e. Will the Project be located in one of the following: (i) an area designed as an economic development zone pursuant to Article 18-B of the General Municipal Law; or (ii) 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?

Yes  ; No  . If yes, please explain: \_\_\_\_\_

The properties are located in a registered Economic Opportunity Zone.

The City of Newburgh is also listed as an Environmental Justice Area and as of 2019 data,

has 25.4% of its residents living in poverty.

6. 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? Yes  ; No  . If yes, please explain: \_\_\_\_\_

We expect to provide approximately 61 FTE private sector jobs at varying skill levels that will be permanent.

These jobs are not seasonal or construction related, but ongoing jobs associated with a hospitality facility in the city of Newburgh.

7. 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? Yes  ;

No  . If yes, please explain: \_\_\_\_\_

8. 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? Yes  ; No  . If yes, please provide detail: \_\_\_\_\_

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

a. Is the Project reasonably necessary to preserve the competitive position of the Company or such Project Occupant in its industry? Yes  ; No  . If yes, please provide detail: N/A

b. 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? Yes \_\_\_; No \_\_\_. If yes, please provide detail: N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10. Will the Project be owned by a not-for-profit corporation? Yes \_\_\_; No . If yes, please provide detail: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

11. If the answer to question 10 is yes, indicate whether any of the following apply to the Project:

a. Is the Project a housing facility primarily designed to be occupied by individuals 60 years of age or older? Yes \_\_\_; No \_\_\_. If yes, please explain: N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

b. Is the Project a dormitory for an educational institution? Yes \_\_\_; No \_\_\_. If yes, please explain: N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c. Is the Project a facility as defined in Article 28 of the Public Health Law? Yes \_\_\_; No \_\_\_. If yes, please explain: N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

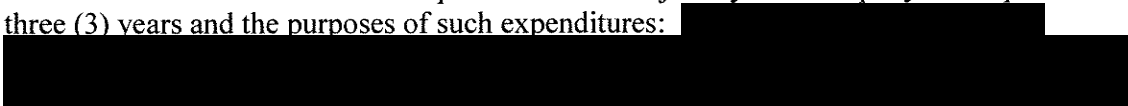
12. If the answer to any of the questions contained in question 11 is yes, indicate whether the cost of the Project will exceed \$20 million. Yes \_\_\_; No \_\_\_. If yes, please provide detail: N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. Will the Project be sold or leased to a municipality? Yes \_\_\_; No . If yes, please provide detail: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

G. Project Status:

1. If the Project includes the acquisition of any land or buildings, have any steps been taken toward acquiring same? Yes ; No \_\_\_\_\_. If yes, please discuss in detail the approximate stage of such acquisition:  
The Orange County Legislature has formally approved the purchase of the buildings by the applicant  
and the final contract has been signed. We have site control and are working toward a formal closing of the sale.  
\_\_\_\_\_  
\_\_\_\_\_
  
2. If the Project includes the acquisition of any Equipment, have any steps been taken toward acquiring same? Yes \_\_\_\_; No . If yes, please discuss in detail the approximate stage of such acquisition: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
  
3. If the Project involves the construction or reconstruction of any building or other improvement, has construction work on any such building or improvement begun? Yes ; 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.: \_\_\_\_\_  
We are currently working with our engineering firm and general contractor on pre-construction services  
and are actively participating in the planning board process for approval.  
Both our engineers and our general contractor are based in Orange County.  
\_\_\_\_\_
  
4. Please indicate amount of funds expended on the Project by the Company in the past three (3) years and the purposes of such expenditures:   
\_\_\_\_\_  
\_\_\_\_\_
  
5. Please indicate the date the applicant estimates the Project will be completed:  
Spring/Summer 2023

I. Method of Construction after Agency Approval:

1. If the Agency approves the project which is the subject of this application, there are two methods that may be used to construct the project. The applicant can construct the project privately and sell the project to the Agency upon completion. Alternatively, the applicant can request to be appointed as “agent” of the Agency, in which case certain laws applicable to public construction may apply to the project. Does the applicant wish

to be designated as "agent" of the Agency for purposes of constructing the project? Yes ; No \_\_\_\_.

2. If the answer to question 1 is yes, does the applicant desire such "agent" status prior to the closing date of the financing? Yes ; No \_\_\_\_.

III. INFORMATION CONCERNING LEASES OR SUBLEASES OF THE PROJECT.  
(PLEASE COMPLETE THE FOLLOWING SECTION IF THE COMPANY INTENDS TO  
LEASE OR SUBLEASE ANY PORTION OF THE PROJECT).

A. Does the Company intend to lease or sublease more than 10% (by area or fair market value) of the Project? Yes ; No \_\_\_\_\_. If yes, please complete the following for each existing or proposed tenant or subtenant:

1. Sublessee name: FSH Newburgh Hotel, LLC  
Present Address: 4053 State Route 52, / P.O. Box 595  
City: Youngsville State: NY Zip: 12791  
Employer's ID No.: [REDACTED]  
Sublessee is: \_\_\_ Corporation: \_\_\_ Partnership: \_\_\_ Sole Proprietorship  **LLC**  
Relationship to Company: Member Owned Operating LLC  
Percentage of Project to be leased or subleased: 100%  
Use of Project intended by Sublessee: As described in previous questions.  
Date of lease or sublease to Sublessee: Undetermined at this time  
Term of lease or sublease to Sublessee: Undetermined at this time  
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? Yes ; No \_\_\_\_\_. 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.  
As described in previous questions.

2. Sublessee name: None  
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: \_\_\_\_\_  
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? Yes \_\_\_\_; No \_\_\_\_\_. 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.

3. Sublessee name: None  
 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: \_\_\_\_\_  
 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? Yes \_\_\_; No \_\_\_. 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.

B. What percentage of the space intended to be leased or subleased is now subject to a binding written lease or sublease? None

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). 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.

TYPE OF EMPLOYMENT Employees of Applicant					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	0	0	0	0	0
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0



First Year Full Time	9 FTE	8 FTE	19 FTE	13 FTE	49 FTE
First Year Part Time	0	0	0	0	0
First Year Seasonal	0	0	0	0	0
Second Year Full Time	9 FTE	10 FTE	21 FTE	15 FTE	55 FTE
Second Year Part Time	0	0	0	0	0
Second Year Seasonal	0	0	0	0	0

<b>TYPE OF EMPLOYMENT</b>					
<b>Independent Contractors</b>					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	0	0	0	0	0
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0
First Year Full Time	0	0	0	0	0
First Year Part Time	0	0	0	0	0
First Year Seasonal	0	0	0	0	0
Second Year Full Time	0	0	0	0	0
Second Year Part Time	0	0	0	0	0
Second Year Seasonal	0	0	0	0	0

<b>TYPE OF EMPLOYMENT</b>					
<b>Employees of Independent Contractors</b>					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time	0	0	0	0	0
Present Part Time	0	0	0	0	0
Present Seasonal	0	0	0	0	0
First Year Full Time	0	0	0	0	0
First Year Part Time	0	6	0	0	6
First Year Seasonal	0	0	0	0	0
Second Year Full Time	0	0	0	0	0
Second Year Part Time	0	6	0	0	6
Second Year Seasonal	0	0	0	0	0

- B. Indicate below (1) the estimated salary and fringe benefit averages or ranges and (2) the estimated number of employees residing in the Orange County 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.

<b>RELATED EMPLOYMENT INFORMATION</b>				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	\$46,000-\$100,000	\$35,000-\$50,000	\$30,000 - \$40,000	\$20,000-\$30,000
Estimated Number of Employees Residing in the Orange County Economic Development Region				

- C. Please describe the projected timeframe for the creation of any new jobs with respect to the undertaking of the Project:  
 Given our proposed opening goal of late Spring 2023, we would anticipate beginning to hire employees in December of 2022 or January of 2023.  
 The hiring of management employees will most likely take place in the Fall of 2022.  
 All employees listed above will be new employees.
- 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.  
 See attached document.

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:

<u>Description of Cost</u>	<u>Amount</u>
Land	\$
Buildings	\$ 1,300,000
Machinery and equipment costs	\$ 4,125,000
Utilities, roads and appurtenant costs	\$ N/A
Architects and engineering fees	\$ 955,000
Costs of financing	\$ 650,000
Construction loan fees and interest (if applicable)	\$ 900,000
Other (specify)	
Building Renovation	\$ 14,865,500
Other Soft Costs	\$ 1,654,500
	\$
<b>TOTAL PROJECT COSTS</b>	<b>\$ 24,450,000</b>

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>18,300,000</u>
Public Sector	\$ 1,000,000
Federal Programs	\$ _____
State Programs	\$ <u>2,500,000</u>
Local Programs	\$ _____
Applicant Equity	\$ <u>2,650,000</u>
Other (specify, e.g., tax credits)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
<b>TOTAL AMOUNT OF PROJECT FINANCING SOURCES</b>	<b>\$ 24,450,000</b>

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

\$350,000 to date which includes the down payment for the purchase of the buildings and payments for pre-construction services to our general contractor and engineering firm.

D. Amount of loan requested: \$ 18,300,000 \_\_\_\_\_;

Maturity requested: 25 \_\_\_\_\_ years.

E. Has a commitment for financing been received as of this application date, and if so, from whom? Rhinebeck Bank has issued a strong letter of intent.

Yes \_\_\_\_; No . Institution Name: Rhinebeck Bank

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

Name: David Curry \_\_\_\_\_ Phone: [REDACTED] \_\_\_\_\_

F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: 4%

G. The total amount estimated to be borrowed to finance the Project is equal to the following: \$ 18,300,000

VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY.

A. Financing

1. Is the applicant requesting that the Agency issue bonds to assist in financing the project? Yes \_\_\_; No . If yes, indicate:

a. Amount of loan requested: \_\_\_ Dollars;

b. Maturity requested: \_\_\_ Years.

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

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 (including handball and racquetball court): Yes \_\_\_; No \_\_\_

j. hot tub facility: Yes \_\_\_; No \_\_\_

k. suntan facility: Yes \_\_\_; No \_\_\_

l. racetrack: Yes \_\_\_; No \_\_\_

4. If the answer to any of the above questions contained in question 3 is yes, please furnish details on a separate attachment.

B. Tax Benefits.

1. 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? Yes \_\_\_; No .

A deviation from agency UTEP is necessary for the project to proceed.

See attached.

2. Is the applicant expecting that the financing of the Project will be secured by one or more mortgages? Yes ; No . If yes, what is the approximate amount of financing to be secured by mortgages? \$ 18,300,000.

3. Is the applicant expecting to be appointed agent of the Agency for purposes of avoiding payment of N.Y.S. Sales Tax or Compensating Use Tax? Yes ; No . If yes, what is the approximate amount of purchases which the applicant expects to be exempt from the N.Y.S. Sales and Compensating Use Taxes? \$ 462,310.

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.

a. N.Y.S. Sales and Compensating Use Taxes:	\$ <u>462,310</u>
b. Mortgage Recording Taxes:	\$ <u>192,150</u>
c. Real Property Tax Exemptions:	\$ <u>3,588,482</u>
d. Other (please specify):	
<u>County Sales Tax</u>	\$ <u>476,757</u>
_____	\$ _____

5. Are any of the tax-exemptions being sought in connection with the Project inconsistent with the Agency's Uniform Tax-exemption Policy? Yes ; No . If yes, please explain how the request of the applicant differs from the Agency's Uniform Tax-Exemption Policy: See attached.

See page 5 of 11 of Shepstone Cost Benefit Analysis.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

C. Project Benefit Information. Complete the attached Cost/Benefit Analysis so that the Agency can perform a cost/benefit analysis of undertaking the Project. Such information should consist of a list and detailed description of the benefits of the Agency undertaking the Project (e.g., number of jobs created, types of jobs created, economic development in the area, etc.). Such information should also consist of a list and detailed description of the costs of the Agency undertaking the Project (e.g., tax revenues lost, buildings abandoned, etc.).

VII. 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 collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the “DOL”) and with the administrative entity (collectively with the DOL, the “JTPA Entities”) of the service delivery area created by the federal job training partnership act (Public Law 97-300) (“JTPA”), as replaced by the Workforce Investment Act of 1998 (Public Law 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 will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA 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.

A. 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.

F. 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.

G. 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:

H. 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.

I. 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.

J. 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.

K. 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:

L. Additional Information. Additional information regarding the requirements noted in this Application and other requirements of the Agency is included on the Agency's website which can be accessed at <https://www.cityofnewburgh-ny.gov/industrial-development-agency>.

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

Grand Street Newburgh Property Co., LLC  
By: FSH Holding, LLC, its Sole Member

  
\_\_\_\_\_  
By: Corey Sims Foster, Manager

FSH Newburgh Hotel, LLC  
By: FSH Holding, LLC, its Sole Member

  
\_\_\_\_\_  
By: Corey Sims Foster, Manager

-----  
NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 28 THROUGH 31 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 32.  
-----

70315-018

VERIFICATION

(If Applicant is a Corporation)

STATE OF )  
 ) SS.:  
COUNTY OF )

\_\_\_\_\_ deposes and says that he is the  
(Name of officer of applicant)  
\_\_\_\_\_ of \_\_\_\_\_,  
(Title) (Company Name)

the corporation 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 corporation. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations 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 corporation.

\_\_\_\_\_  
(officer of applicant)

Sworn to before me this \_\_\_\_\_  
day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

VERIFICATION

(If applicant is partnership)

STATE OF )  
 ) SS.:  
COUNTY OF )

, deposes and says that he is one of the (Name of Individual) members of the firm of \_\_\_\_\_, the partnership named in the attached (partnership name)

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. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations 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 a member of and from the books and papers of said partnership.

\_\_\_\_\_

Sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Notary Public \_\_\_\_\_

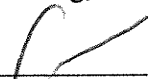
VERIFICATION

(If applicant is limited liability company)

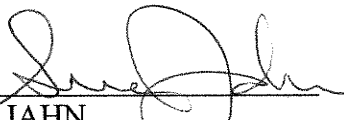
STATE OF NEW YORK )  
 )ss.:  
COUNTY OF SULLIVAN )

Corey Sims Foster, deposes and says that he is one of the  
(Name of Individual)  
Members of the firm of FSH Newburgh Hotel, LLC, the limited liability company named  
(limited liability company)  
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. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations 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 a member of and from the books and papers of said limited liability company.

FSH Newburgh Hotel, LLC  
By: FSH Holding, LLC, its Sole Member

  
\_\_\_\_\_  
By: Corey Sims Foster, Manager

Sworn to before me this  
30<sup>th</sup> day of July, 2021.

  
SUE JAHN  
Notary Public, State of New York  
NYS Registration No. 01JA4989241  
Qualified in Sullivan County  
Commission Expires December 2, 2021

70314-032v2

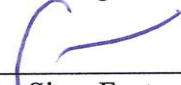
VERIFICATION

(If applicant is limited liability company)


STATE OF NEW YORK )  
 )ss.:  
COUNTY OF SULLIVAN )

Corey Sims Foster, deposes and says that he is one of the members  
(Name of Individual)  
of the firm of Grand Street Newburgh Property Co., LLC, the limited liability company named  
(limited liability company)  
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. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations 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 a member of and from the books and papers of said limited liability company.

Grand Street Newburgh Property Co., LLC  
By: FSH Holding, LLC, its Sole Member

  
\_\_\_\_\_  
By: Corey Sims Foster, Manager

Sworn to before me this  
30<sup>th</sup> day of July, 2021.

  
\_\_\_\_\_  
SUE JAHN  
Notary Public, State of New York  
NYS Registration No. 01JA4989241  
Qualified in Sullivan County  
Commission Expires December 2, 2021

70314-033v2

VERIFICATION

(If applicant is sole proprietor)

STATE OF )  
 ) SS.:  
COUNTY OF )

\_\_\_\_\_, deposes and says that he has read the foregoing  
(Name of Individual)  
application and knows the contents thereof; and that the same is true and complete and accurate to the best of his knowledge. The grounds of deponent's belief relative to all matters in the said application which are not stated upon his own personal knowledge are investigations which deponent has caused to be made concerning the subject matter of this application.

\_\_\_\_\_

Sworn to before me this \_\_\_\_\_  
day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary Public

-----  
NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE  
HOLD HARMLESS AGREEMENT APPEARING ON PAGE 32 IS SIGNED BY THE  
APPLICANT.  
-----



HOLD HARMLESS AGREEMENT

Applicant hereby releases City of Newburgh 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 attorneys' fees, if any.

Grand Street Newburgh Property Co., LLC  
By: FSH Holding, LLC, its Sole Member

  
\_\_\_\_\_  
By: Corey Sims Foster, Manager

FSH Newburgh Hotel, LLC  
By: FSH Holding, LLC, its Sole Member

  
\_\_\_\_\_  
By: Corey Sims Foster, Manager

Sworn to before me this  
30<sup>th</sup> day of July, 2021.

  
\_\_\_\_\_  
SUE JAHN  
Notary Public, State of New York  
NYS Registration No. 01JA4989241  
Qualified in Sullivan County  
Commission Expires December 2, 2021  
70315-020

TO: Project Applicants  
 FROM: City of Newburgh Industrial Development Agency  
 RE: Cost/Benefit Analysis

In order for the City of Newburgh Industrial Development Agency (the “Agency”) to prepare a Cost/Benefit Analysis for a proposed project (the “Project”), the Applicant must answer the questions contained in this Project Questionnaire (the “Questionnaire”) and complete the attached Schedules. This Questionnaire and the attached Schedule will provide information regarding various aspects of the Project, and the costs and benefits associated therewith.

This Questionnaire must be completed before we can finalize the Cost/Benefit Analysis, please complete this Questionnaire and forward it to us at your earliest convenience.

**PROJECT QUESTIONNAIRE**

1. Name of Project Beneficiary (“Company”):	FSH Newburgh Hotel, LLC
2. Brief Identification of the Project:	Hotel and event facility with food and beverage operations and a full-service spa.
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$ 0
B. Value of Sales Tax Exemption Sought	\$ 953,514
C. Value of Real Property Tax Exemption Sought	\$ 3,588,482
D. Value of Mortgage Recording Tax Exemption Sought	\$ 192,150
4. Likelihood of accomplishing the Project in a timely fashion:	Very likely project will be completed by Spring of 2023.

**PROJECTED PROJECT INVESTMENT**

<b>A. Land-Related Costs</b>	
1. Land acquisition	\$0
2. Site preparation	\$
3. Landscaping, Paving, Parking Development, Site Prep	\$ 994,500
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$
<b>B. Building-Related Costs</b>	
1. Acquisition of existing structures	\$ 1,300,000
2. Renovation of existing structures	\$ 6,600,000
3. New construction costs (Rooftop decks)	\$ 500,000
4. Electrical systems	\$ 1,500,000
5. Heating, ventilation and air conditioning	\$ 2,000,000
6. Plumbing	\$ 1,000,000
7. Other building-related costs (describe)	\$ 2,271,000

(Fixtures, kitchen build-out)

C. Machinery and Equipment Costs		
1.	Production and process equipment	\$
2.	Packaging equipment	\$
3.	Warehousing equipment	\$
4.	Installation costs for various equipment	\$
5.	Other equipment-related costs (describe)	\$
D. Furniture and Fixture Costs		
1.	Office furniture (Dining Room and event equipment)	\$ 495,000
2.	Office equipment	\$
3.	Computers (including POS, Management software, other technology)	\$ 165,000
4.	Other furniture-related costs (describe) (Hotel FF&E/OS&E, F&B FF&E/OS&E)	\$ 1,565,000
E. Working Capital Costs		
1.	Operation costs (Pre-opening payroll)	\$ 400,000
2.	Production costs	\$
3.	Raw materials	\$
4.	Debt service (includes reserve, property taxes, accounting services)	\$ 1,300,000
5.	Relocation costs	\$
6.	Skills training	\$
7.	Other working capital-related costs (describe) (Pre-opening sales and marketing, inventories)	\$ 325,000
F. Professional Service Costs		
1.	Architecture and engineering	\$ 855,000
2.	Accounting/legal	\$
3.	Other service-related costs (describe) (Acquisition costs)	\$ 100,000
G. Other Costs		
1.	Fire and Life Safety	\$ 1,000,000
2.	Spa Facility	\$ 900,000
3.	Hard and Soft Contingency	\$ 1,179,500
H. Summary of Expenditures		
1.	Total Land-Related Costs	\$ 994,500
2.	Total Building-Related Costs	\$ 15,171,000
3.	Total Machinery and Equipment Costs	\$
4.	Total Furniture and Fixture Costs	\$ 2,225,000
5.	Total Working Capital Costs	\$ 2,025,000
6.	Total Professional Service Costs	\$ 955,000
7.	Total Other Costs	\$ 3,079,500

**PROJECTED CONSTRUCTION EMPLOYMENT IMPACT**

- I. Please provide estimates of total construction jobs and the total annual wages and benefits of construction jobs at the Project:

Year	Number of Construction Jobs	Total Annual Wages and Benefits	Estimated Additional NYS Income Tax
Current Year	30	\$ 1,056,663.50	\$ 52,833.18
Year 1	110	\$ 3,698,322.60	\$ 184,916.13
Year 2	20	\$ 528,331.80	\$ 26,416.59
Year 3		\$	\$
Year 4		\$	\$
Year 5		\$	\$

**PROJECTED PERMANENT EMPLOYMENT IMPACT**

- I. Estimates of the total number of existing permanent jobs to be preserved or retained as a result of the Project are described in the tables in Section IV of the Application. **None**
- II. Estimates of the total new permanent jobs to be created by the Project are described in the tables in Section IV of the Application.

Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.

- I. Provide the projected percentage of employment that would be filled by City of Newburgh residents: All positions will be open to residents of the city of Newburgh.

A. Provide a brief description of how the project expects to meet this percentage:

**PROJECTED OPERATING IMPACT**

- I. Please provide estimates for the impact of Project operating purchases and sales:

Additional Purchases (1 <sup>st</sup> year following project completion)	\$ 535,467
Additional Sales Tax Paid on Additional Purchases	\$ 43,507
Estimated Additional Sales (1 <sup>st</sup> full year following project completion)	\$ 5,276,456
Estimated Additional Sales Tax to be collected on additional sales (1 <sup>st</sup> full year following project completion)	\$ 428,712.05

Please refer to the attached cost/benefit analysis for information regarding additional sales, sales tax, and estimated room tax to be collected.

Estimated Occupancy Tax Collected Year One: **\$72,544**

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes (“Pilot Payments”):

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year	0	N/A	N/A
Year 1	380,320.77	124,736.54	255,583.73
Year 2	405,878.64	124,736.54	281,142.10
Year 3	431,437.02	124,736.54	306,700.47
Year 4	456,995.39	124,736.54	332,258.85
Year 5	482,553.76	124,736.54	357,817.22
Year 6	508,112.14	175,853.29	332,258.85
Year 7	533,670.51	226,970.04	306,700.47
Year 8	559,228.88	278,086.78	281,142.10
Year 9	584,787.25	329,203.53	255,583.73
Year 10	610,345.63	380,320.27	230,025.36

Year 11	635,904.00	465,531.98	170,372.11
Year 12	635,904.00	550,692.39	85,211.62
Year 13	635,904.00	635,904.00	0.00

Please see Shepstone Cost Benefit Analysis with Project Narrative attached.

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 compete to the best of my knowledge.

Date Signed: July 30, 2021

Name of Person Completing Project Questionnaire  
on behalf of the Company.

Name: Corey Sims Foster

Title: Manager

Phone Number: [REDACTED]

Address: 4053 State Route 52, PO Box 595, Youngsville, NY

Signature: 

70315-019

SCHEDULE A

CREATION OF NEW JOB SKILLS

Please list the projected new job skills for the new permanent jobs to be created at the Project as a result of the undertaking of the Project by the Company.

FTE

New Job Skills	Number of Positions Created	Range of Salary and Benefits
Rooms Manager	1	\$50,000 - \$60,000
Reception	3	\$30,000 - \$40,000
Reservations	2	\$35,000 - \$40,000
Housekeeping Supervisors	2	\$40,000 - \$45,000
Housekeepers	5	\$30,000 - \$35,000
Houseman/Attendants	2	\$30,000 - \$35,000
Spa Manager	1	\$55,000 - \$60,000
F&B Managers	3	\$50,000 - \$55,000
Servers	7	\$15,000 - \$20,000 w/o tips
Bartenders	3	\$15,000 - \$20,000 w/o tips
Bussers	3	\$15,000 - \$20,000 w/o tips
Event Servers	4	\$15,000 - \$20,000 w/o tips
Event Set-Up	2	\$30,000 - \$35,000
Executive Chef	1	\$80,000 - \$90,000
Sous Chefs	6	\$45,000 - \$50,000
Cooks	6	\$35,000-\$50,000
Steward/Dishwashers	4	\$30,000 - \$35,000
General Manager	1	\$95,000 - \$110,000
Accounting Staff	1	\$60,000 - \$65,000
Sales Manager	1	\$70,000 - \$75,000
Banquets/Event Sales Manager	2	\$50,000 - \$55,000
Handyman/Engineer	1	\$45,000 - \$50,000

Should you need additional space, please attach a separate sheet.

## FSH Grand Street Newburgh Property Types of Employment

### Rooms Department

Rooms Manager: Responsible for hiring and overseeing department employees including housekeeping, reception, and reservations staff, scheduling, guest relations

Reception employees: Responsible for guest relations upon check-in and check-out, concierge services during stay

Reservations employees: Responsible for room bookings and billing, guest relations

Housekeeping Supervisors: Responsible for managing housekeeping staff, overseeing cleanliness of rooms, facilities, and common areas, scheduling, hiring

Housekeepers: Responsible for day-to-day cleanliness of rooms, facilities, and common areas, laundry

Houseman/Public Area Attendants: Responsible for general cleanliness of common areas, assisting reception employees, bellhop duties, front door presence, greeting guests

### Spa Department

Spa Manager: Responsible for all spa operations, department staffing, scheduling, quality of service, guest relations, cleanliness, profitability, etc.

Massage Therapists: Responsible for performing quality treatments, maintaining a professional and guest-oriented environment, cleanliness and sanitation of treatment rooms (Independent Contractors)

### Food and Beverage Department

F&B Managers: Responsible for day-to-day management of service staff, scheduling, ensuring guest satisfaction, beverage orders, inventory

Servers: Responsible for ensuring guests in our dining facilities experience world class service

Bartenders: Responsible for ensuring guests in our bar areas and in attendance at private events experience world class service and quality beverages

Bussers: Responsible for assisting servers and bartenders in providing world-class service through ensuring excellent table maintenance

Event Servers: Responsible for ensuring guests at private events experience world class service

Event set-up: Responsible for the physical set-up of events including tables, chairs, food stations, and other components of event organization



## Kitchen

**Executive Chef:** Responsible for all aspects of the culinary program including overall supervision of all kitchen staff, hiring, scheduling, menu design, meeting food cost objectives, inventory and ordering, and guest relations

**Sous Chefs:** Responsible for day-to-day operation of kitchen facilities, scheduling, hiring, execution of the executive chef's vision for the program, inventory and ordering, physical presence in the kitchens and on the lines

**Cooks:** Responsible for the direct execution of the menu items, food prep, kitchen cleanliness

**Steward/Dishwashers:** Responsible for the cleanliness of all dishes, glasses, flatware, cookware, utensils, some food prep, overall kitchen cleanliness

## Admin/General Manager:

**General Manager:** Responsible for the overall operation of the facility, hiring and supervision of all department heads and managers, financial success of the facility, decision-making related to the overall success of the facility, responsible to ownership for the operation as a whole

**Accounting Staff:** Responsible for the financial accounting of the facility – accounts receivable, accounts payable, payroll, general accounting as it relates to the operation of the business

## Sales and Marketing

**Sales Manager:** Responsible for all sales as it relates to the booking of events and private parties, rooms, and overall future business of the facility

**Banquets/Events Sales Manager:** Report to the Sales Manager and are specifically responsible for event/private party sales and their execution and management of booked events

## Repairs and Maintenance

**Handyman/Engineer:** Responsible for day-to-day maintenance of the facility including minor repairs and maintenance, overseeing the physical plant, communicating and coordinating with outside vendors as they relate to building maintenance and repair

This explanation is attached to and part of the Application of Grand Street Newburgh Property Co., LLC and FSH Newburgh Hotel, LLC to the City of Newburgh Industrial Development Agency.

Reference is made to Section VI. FINANCIAL ASSISTANCE EXPECTED FROM THE AGENCY. At B. Tax Benefits, the Applicant seeks a deviation from the Agency's UTEP.

The project consists of the redevelopment of three (3) buildings on Grand Street. Redevelopment of these structures respecting the historic nature of the buildings must be carefully approached and will be expensive to achieve on a square foot basis.

Hospitality properties are unlike most other businesses. Hotels and event venues rely heavily on repeat bookings to generate revenue. Lodging venues require some years of operation before guests return for a subsequent visit. This hotel will attract special types of guests and cannot be viewed in the same way as a limited service hotel convenient to an airport or highway intersection.

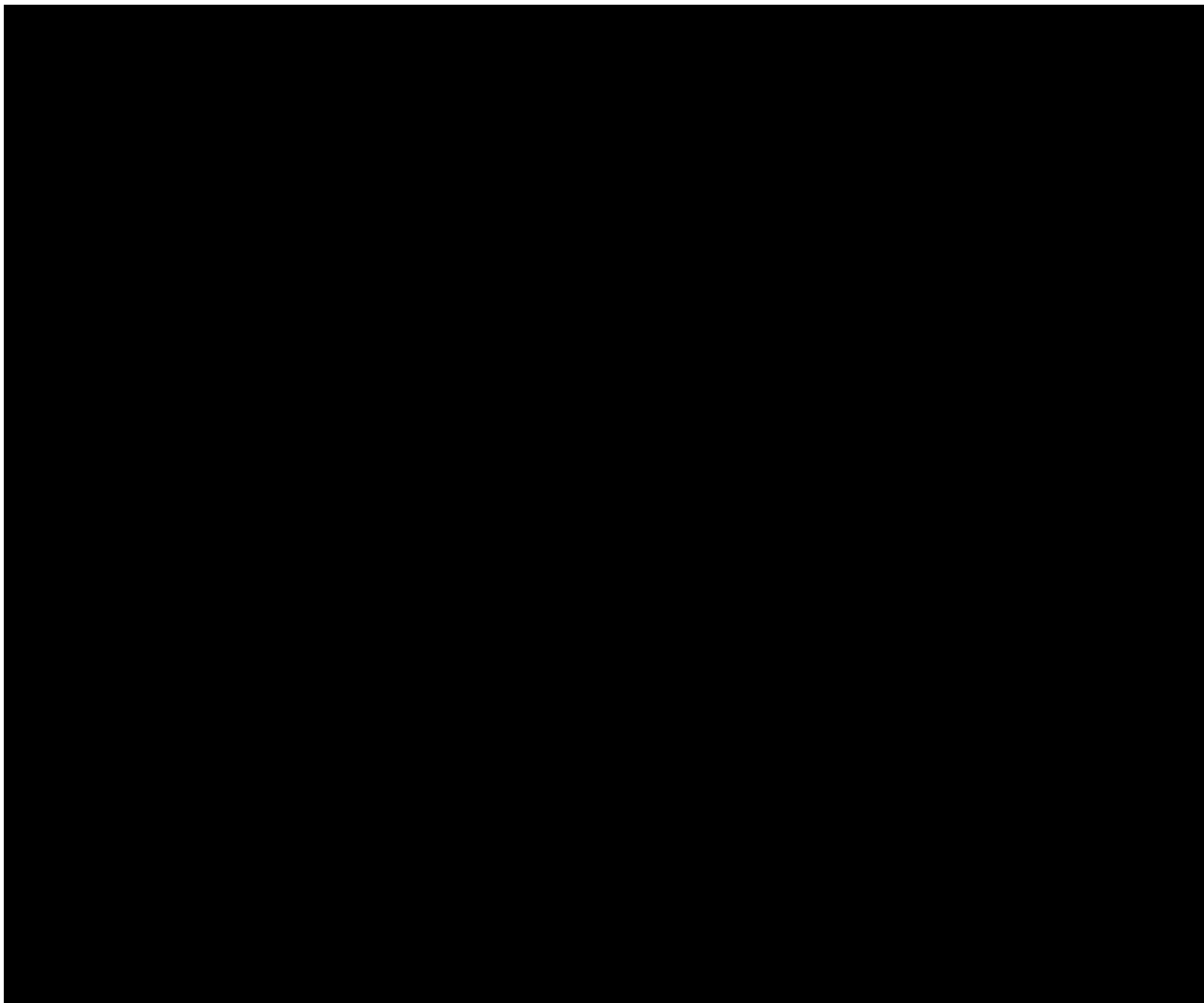
Foster Supply Hospitality, LLC ("FSH") developed six (6) small hotels in Sullivan County and Wayne County, Pennsylvania over the past seven (7) years. All current FSH properties operate in locations where the real estate tax burden is substantially lower than what would exist in the City, absent a PILOT.

Our experience tells us that the cost of guest acquisition is high when a property first opens. When FSH opened the Arnold House in 2014, we were glad to see a few rooms booked each weekend. Over time our guests enjoyed the experience and return guest bookings multiplied. Additional hotels we subsequently opened enjoyed overflow bookings from previously opened hotels and reached occupancy levels quicker than we expect in Newburgh.

Similarly, event business is slow to develop. Corporate outings are normally booked a year in advance. Wedding bookings have an even longer booking window. While we expect to create an attractive first-rate venue, we realize that attracting group business takes time. Our experience in operating other FSH hotels leads us to believe that event activity will not reach a stabilized level until our third (3<sup>rd</sup>) year of operations.

We do not anticipate the property to be cash flow positive until the fourth year of operations. We do not expect cumulative losses to be offset by profits until year five (5) of operations. Accordingly, limiting real estate tax expense in the first five (5) years of operations is necessary for the project to make financial sense.

Our projected profit and loss for the first five (5) years of operations is as follows:



The properties to be developed are currently owned by Orange County and exempt from ad valorem tax levies. The aggregate assessed value of the three parcels is \$2,510,800. Recognizing the City will incur some modest additional costs for public services once these vacant buildings are redeveloped, we propose to make a PILOT Payment for the first five (5) years of operations (and during the pro-opening period) equal to what taxes would be at the current assessed value. In other words, the City will gain revenue vs. the current exempt status with PILOT payments equal to taxes on the properties at pre-development levels for the first five (5) years of operations.

We have deeply studied competitive properties in the mid-Hudson. Looking at the competitive landscape, we expect a City-based hotel of similar quality as the competitive set to be successful if our average daily rates are at levels similar to the competition. Keeping this Project's costs aligned with the competitive set is essential to long term success. We view the competition as eleven (11) properties, each offering lodging, meeting/event space and with food and beverage offerings. The average equalized assessed value of the competitive set on a weighted average basis is \$160,702 per key. A simple average of the equalized assessed value per key of the competitive properties is \$157,498 per key. If you eliminate the three (3) highest assessed and three (3) lowest assessed properties, the average equalized assessed value is \$155,529 per key.

And lastly, if you eliminate the three properties in Columbia County and focus solely on Orange, Dutchess and Ulster properties, the average equalized assessed value is \$167,495 per key.

Any way you view this information, it is clear that for our project to be competitive, a PILOT at a value of \$160,000 per key is necessary.

Accordingly, we propose a PILOT term of twelve (12) years with the value of the improvements building up starting in year 6 and reaching taxable status in year 13.

The proposed deviation schedule for improvements over the current assessed value base contemplates exemptions and annual PILOT payments as follows<sup>1</sup>:

**Estimated PILOT Payments Under Proposed Deviation**

<u>Operating Year</u>	<u>Current AV</u>	<u>Improvement Value</u>	<u>Proposed Exemption</u>	<u>Improvement Value in PILOT</u>	<u>Total Value Subject to PILOT</u>	<u>Estimated PILOT Payment</u>
1	\$ 2,510,800.00	\$ 10,289,200.00	100%	\$ -	\$ 2,510,800.00	\$ 124,736.54
2	\$ 2,510,800.00	\$ 10,289,200.00	100%	\$ -	\$ 2,510,800.00	\$ 127,231.27
3	\$ 2,510,800.00	\$ 10,289,200.00	100%	\$ -	\$ 2,510,800.00	\$ 129,775.90
4	\$ 2,510,800.00	\$ 10,289,200.00	100%	\$ -	\$ 2,510,800.00	\$ 132,371.42
5	\$ 2,510,800.00	\$ 10,289,200.00	100%	\$ -	\$ 2,510,800.00	\$ 135,018.85
6	\$ 2,510,800.00	\$ 10,289,200.00	90%	\$ 1,028,920.00	\$ 3,539,720.00	\$ 194,156.24
7	\$ 2,510,800.00	\$ 10,289,200.00	80%	\$ 2,057,840.00	\$ 4,568,640.00	\$ 255,605.12
8	\$ 2,510,800.00	\$ 10,289,200.00	70%	\$ 3,086,760.00	\$ 5,597,560.00	\$ 319,434.30
9	\$ 2,510,800.00	\$ 10,289,200.00	60%	\$ 4,115,680.00	\$ 6,626,480.00	\$ 385,714.40
10	\$ 2,510,800.00	\$ 10,289,200.00	50%	\$ 5,144,600.00	\$ 7,655,400.00	\$ 454,517.93
11	\$ 2,510,800.00	\$ 10,289,200.00	33.33%	\$ 6,859,809.64	\$ 9,370,609.64	\$ 567,480.77
12	\$ 2,510,800.00	\$ 10,289,200.00	16.67%	\$ 8,573,990.36	\$ 11,084,790.36	\$ 684,716.76
13	\$ 2,510,800.00	\$ 10,289,200.00	0%	\$ 10,289,200.00	\$ 12,800,000.00	Fully Taxable

We are mindful that the tax rate is higher in the City of Newburgh than in the jurisdictions where competitive properties are situated. That said, we still propose using the then current tax rate multiplied by the sum of the current assessed value and improvement values subject to the proposed exemption levels to compute annual PILOT payments.

PILOT payments with the exemption levels increasing as contemplated by the UTEP will allow the property to reach the stabilized occupancy at competitive average daily rates and event booking levels over the time frame necessary to stabilize cash flow.

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<sup>1</sup> Tax rates are estimated at 4.968% for year 1 increasing 2% per year