

TOWN OF MONTGOMERY INDUSTRIAL DEVELOPMENT AGENCY

APPLICATION

IMPORTANT NOTICE: The answers to the questions contained in this application are necessary to determine your firm's eligibility for financial assistance from the Town of Montgomery 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: Town of Montgomery Industrial Development Agency
110 Bracken Road
Montgomery, New York 12549
Attention: Chief Executive Officer

This application by applicant respectfully states:

APPLICANT: Milk Factory, LLC

APPLICANT'S STREET ADDRESS: 2860 State Route 208

CITY: Walden STATE: NY ZIP CODE: 12586

PHONE NO.: (845) 901-6272 FAX NO.: _____ E-MAIL: noah@citywinery.com

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

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

NAME OF FIRM: Law Office of Charles T Bazydlo, P.C

NAME OF ATTORNEY: Charles T. Bazydlo, Esq

ATTORNEY'S STREET ADDRESS: 5 Howard Seely Road

CITY: Thompson Ridge STATE: NY ZIP CODE: 10985

PHONE NO.: (845) 361-3668 FAX NO.: (845) 361-3669 E-MAIL: cbazydlo@hvc.rr.com

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

INSTRUCTIONS

1. The Agency will not approve any application unless, in the judgment of the Agency, said application and the summary 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 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 (if applicable, such expenses may be paid out of proceeds of any bonds issued by the Agency 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 if applicable included as a part of any 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 notice of public hearing on application posted	, 20
9.	Date notice of public hearing on application mailed	, 20
10.	Date notice of public hearing on application published	, 20
11.	Date public hearing conducted	, 20
12.	Date Environmental Assessment Form ("EAF") received	, 20
13.	Date Agency completed environmental review	, 20
14.	Date of final approval of application	, 20

AGENCY FEE SCHEDULE INFORMATION

1. APPLICATION FEE: \$1,000.00 (Non-refundable)
2. AGENCY FEES: The following fees apply for all new applications received on or after September 13, 2023:
 - (a) For all projects involving a Payment in Lieu of Tax (PILOT) Agreement:
 - ¾ of 1% of the first \$2,000,000 of Total Project Costs (as defined in this Application)
 - ½ of 1% of the remaining Total Project Costs
 - (b) For all projects involving only sales and use tax and/or mortgage recording tax exemptions (no PILOT Agreement):
 - 10% of the abatement value (based on total savings from sales and/or mortgage tax)
 - (c) Fees for Bonds:

Bond Amount	Applicable Fee*
\$5,000,000 or less	1.0% of bond amount
Greater than \$5,000,000	1.0% of the first \$5 million of bond amount 0.5% of bond amount above \$5 million

*Final bond counsel fees are payable by the Borrower at closing as part of cost of issuance. Additionally, an annual compliance fee is payable by the Applicant annually after closing every July 1 through the term of the bonds, in the following amounts:

Bond Amount	Annual Compliance Fee
Less than \$3,000,000	\$750
\$3,000,000 - \$10,000,000	\$1,000
Greater than \$10,000,000	\$1,250

(d) Refinancing Fee:

In the event a company with an active Agency project seeks to refinance a project and formally requests mortgage tax relief from the Agency fee is 0.25% of the refinanced amount.

3. AGENCY COUNSEL FEE/CONSULTANT REVIEW FEE:

- (a) All applicants are responsible for payment of all application review fees and costs and expenses incurred by the Agency and its consultants (e.g., attorneys, accountants) in connection with its application or project, regardless of whether or not an approval is received and/or the transaction ultimately closes. Such application review fees include, but are not limited to, fees and costs of the Agency's attorneys, accountants, and other consultants as well as publication costs, copying costs, SEQRA compliance, public hearing costs, stenographer costs, etc. The Agency will create an escrow account for attorney and other consultant related fees for the review of project application and the administrative costs associated with the project. Any unused funds on deposit with the Agency will be returned to the company upon project completion. An initial escrow fee of \$5,000 is required to be remitted to the Agency (or \$10,000 for bond applications), to be used for Agency's attorneys and other consultants' work and advice to the Agency concerning the Application. All attorney and consultant fees and disbursements charged to this escrow will be supported by an invoice detailing the description of the work, the time spent, and disbursements made. Such invoices are subject to audit by the Agency. If the amount of this escrow falls below 50% of the initial escrow amount, the Applicant must replenish the escrow to the full \$5,000.00 (or \$10,000 for bond applications). If the escrow is not replenished when requested by the Agency, the Agency may suspend further action on the Application until replenishment has occurred. All escrowed monies unused at the end of the Application process shall be returned to the Applicant.

3. FEE FOR LOCAL LABOR MONITORING:

The Agency uses a third-party firm(s) to monitor and audit compliance with its Local Labor Policy, the cost of which is made by the Applicant at closing in advance for future audits and held in a non-interest bearing escrow account by the Agency until all such audits are completed. Local Labor Compliance Monitoring pursuant to the Agency's Local Labor Policy begins on the date the Agency grants benefits and continues throughout construction. Any unused funds on deposit with the Agency will be returned to the company upon construction completion.

SUMMARY OF PROJECT

Applicant: Milk Factory, LLC

Contact Person: Noah Bobrowsky

Phone Number: [REDACTED]

Occupant: Milk Factory, LLC

Project Location: 2860 State Route 208, Walden, NY 12586

Approximate Size of Project Site: 100,000 sqft of vertical buildings on 20 Acres

Description of Project: Winery/Distillery, Hotel, Restaurant/Bars, Events Space, Gym/Spa, Co-work, Gallery & Museum

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

Employment Impact: Existing Jobs 0

New Jobs 100+ during construction & nearly 100 FT/PT jobs

Project Cost: \$ 50-55M

Type of Financing: Tax-Exempt Taxable Straight Lease

Amount of Bonds Requested: \$ 0

Estimated Value of Tax-Exemptions:

N.Y.S. Sales and Compensating Use Tax:	\$ 2,032,500 est
Mortgage Recording Taxes:	\$ 345,000 est
Real Property Tax Exemptions:	\$ 10,661,205 est
Other (please specify):	\$ _____

Provide estimates for the following:

Number of Full Time Employees at the Project Site before IDA Status:	0
Estimate of Jobs to be Created:	52 FTE
Estimate of Jobs to be Retained:	0
Average Estimated Annual Salary of Jobs to be Created:	\$60,000
Annualized Salary Range of Jobs to be Created:	\$35,000-\$150,000
Estimated Average Annual Salary of Jobs to be Retained:	\$60,000

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

A. Identity of Company:

1. Company Name: Milk Factory, LLC

Present Address: 2860 State Route 208, Walden, NY 12586

Zip Code:

Employer's ID No.: 882575114

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

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? Deleware, Number of Members? 1, Date formed? 5/27/22 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:

N/A

B. Management of Company:

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

≤1

NAME (First, Middle, Last) HOME ADDRESS	OFFICE HELD	OTHER PRINCIPAL BUSINESS
	Managing 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 .
(If yes to any of the foregoing, furnish details in a separate attachment).

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. Principal owners of Company: Is Company publicly held? Yes ____; No .
If yes, list exchanges where stock traded:

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

NAME	ADDRESS	PERCENTAGE OF HOLDING
City Winery, LLC	25 11th Avenue, New York, NY 10011	100%

D. Company's Principal Bank(s) of account: N/A

II. DATA REGARDING PROPOSED PROJECT

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

The Milk Factory will be the adaptive reuse of the 140 year old existing brick buildings, once the crown jewel of the Borden Dairy empire, into a mixed use hospitality project. The property will feature a fully functioning winery/distillery, hotel, multiple food and beverage (F&B) concepts, private events space and a range of resort amenities for both guests and public use.

B. Location of Proposed Project:

1. Street Address: 2860 State Route 208
2. City of
3. Town of Montgomery
4. Village of
5. County of Orange
6. School District: Wallkill
7. Tax Map Number: 2-1-4

C. Project Site:

1. Approximate size (in acres or square feet) of Project site: 19.8 Acres. Is a map, survey, or sketch of the project site attached? Yes ; No .

2. Are there existing buildings on project site? Yes ; No .

a. If yes, indicate number and approximate size (in square feet) of each existing building:

12 contiguous buildings covering approximately 50,000 sqft

b. Are existing buildings in operation? Yes ; No .

If yes, describe present use of present buildings:

c. Are existing buildings abandoned? Yes ; No . About to be abandoned? Yes ; No . If yes, describe:

d. Attach photograph of present buildings.

Attached

3. Utilities serving project site:
 Water-Municipal: None existing
 Other (describe)
 Sewer-Municipal: None existing
 Other (describe)
 Electric-Utility: Central Hudson
 Other (describe)
 Heat-Utility: None existing
 Other (describe)
4. Present legal owner of project site:
- a. If the Company owns project site, indicate date of purchase:
 _____, 20____; Purchase price: \$ _____.
- b. If Company does not own the Project site, does Company have option signed with owner to purchase the Project site? Yes ____; No _____. If yes, indicate date option signed with 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 owners of the project site? Yes ; No _____. If yes, describe: CWMD, LLC is the current owner of the site and will transfer or lease the property to Milk Factory, LLC in the future. Both entities are owned by the same member.
- d. Current Assessed Value of the Project site: \$ 295,000
- e. Current annual property tax payment of the Project site: \$ 7,375
5. a. Zoning District in which the project site is located:
 I-3
- b. Are there any variances or special permits affecting the site? Yes ; No _____. If yes, list below and attach copies of all such variances or special permits:
 Special use permit attached.

D. Buildings:

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:
 1 new 10k sqft building.
2. Does part of the project consist of additions and/or renovations to the 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:
 Complete renovation of existing structures, including all new infrastructure, second/third story additions in most buildings reaching a total of approximately 100k sqft when complete.
3. Describe the principal uses to be made by the Company of the building or buildings to be acquired, constructed, or expanded:
 Hotel and eminity spaces with a functioning winery/distillery.

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:

General FF&E for hote, F&B and other amenity spaces, as well as property maintenance equipment, winery/distillery equipment.

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:

General FF&E for hote, F&B and other amenity spaces, as well as property maintenance equipment, winery/distillery equipment.

F. Project Use:

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

Wine and other spirits

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

Overnight accomodations, F&B, private events and other amenities

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:

There will be small retail areas providing local goods/crafts.

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? <1 %

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:
- 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:
- 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: _____
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:
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:
- 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:
10. Will the Project be owned by a not-for-profit corporation? Yes ___; No . If yes, please provide detail:
11. Will the Project be sold or leased to a municipality? Yes ___; No . If yes, please provide detail:

G. Other Involved Agencies:

1. Please indicate all other local agencies, boards, authorities, districts, commissions or governing bodies (including any city, county and other political subdivision of the State of New York and all state departments, agencies, boards, public benefit corporations, public authorities or commissions) involved in approving or funding or directly undertaking action with respect to the Project. For example, do you need a municipal building permit to undertake the Project? Do you need a zoning approval to undertake the Project? If so, you would list the appropriate municipal building department or planning or zoning commission which would give said approvals.

See attached Permits & Approvals document.

2. Describe the nature of the involvement of the federal, state, or local agencies described above:

See attached Permits & Approvals document.

H. Construction Status:

1. Has construction work on this project 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.:

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

Purchase of property - \$575,00
Site Clean up - \$300,000
Pre development soft costs - \$1.2M

3. Please indicate the date the applicant estimates the Project will be completed:
Q4 2026

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:
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.

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: _____
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:
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?

N/A

IV. Employment Impact See attached employee matrix document.

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	13	10	3	0	26
First Year Part Time	0	12	37	32	81
First Year Seasonal	0	0	0	0	0
Second Year Full Time	13	10	3	0	26
Second Year Part Time	0	12	37	32	81
Second Year Seasonal	0	0	0	0	0

TYPE OF EMPLOYMENT Independent Contractors					
	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	TBD	TBD	TBD	TBD	TBD
First Year Part Time	TBD	TBD	TBD	TBD	TBD
First Year Seasonal	TBD	TBD	TBD	TBD	TBD
Second Year Full Time	TBD	TBD	TBD	TBD	TBD
Second Year Part Time	TBD	TBD	TBD	TBD	TBD
Second Year Seasonal	TBD	TBD	TBD	TBD	TBD

TYPE OF EMPLOYMENT Employees of Independent Contractors N/A					
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled	Totals
Present Full Time					
Present Part Time					
Present Seasonal					

First Year Full Time					
First Year Part Time					
First Year Seasonal					
Second Year Full Time					
Second Year Part Time					
Second Year Seasonal					

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

RELATED EMPLOYMENT INFORMATION				
	Professional or Managerial	Skilled	Semi-Skilled	Un-Skilled
Estimated Salary and Fringe Benefit Averages or Ranges	\$80k-\$150k	\$60-\$70k	\$45-\$60k	\$35-\$45k
Estimated Number of Employees Residing in the Mid-Hudson Economic Development Region ¹	80-90%	80-90%	80-90%	80-90%

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

During the construction phase, the project will employ many subcontractors. We intend to begin construction by the end of 2024/early 2025.

Once the project is complete, the project will be fully staffed for all components of the operation. We anticipate construction completion by the end of 2026/beginning of 2027.

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

- 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 employee matrix document.

- V. Project Cost and Financing Sources See attached project budget.

- 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	\$ _____
Machinery and equipment costs	\$ _____
Utilities, roads and appurtenant costs	\$ _____
Architects and engineering fees	\$ _____
Costs of Financing	\$ _____
Construction loan fees and interest (if applicable)	\$ _____
Other (specify)	
_____	\$ _____
_____	\$ _____
_____	\$ _____
TOTAL PROJECT COSTS	\$ _____

- 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:

See attached sources/uses document and table below.

<u>Description of Sources</u>	<u>Amount</u>
Private Sector Financing (Equity/debt)	\$ <u>48.5M</u>
Public Sector	
Federal Programs	\$ <u>0</u>
State Programs	\$ <u>2M (not finalized)</u>
Local Programs	\$ <u>0</u>
Applicant Equity	\$ <u>2.5M</u>
Other (specify, e.g., tax credits)	
Private Investment	\$ <u>28.1</u>
Debt	\$ <u>\$20.4M</u>
	\$ _____
TOTAL AMOUNT OF PROJECT FINANCING SOURCES	\$ <u>51.4M</u>

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

See attached project budget.

D. Amount of loan requested: \$ 20.4M ;

Maturity requested: 25-30 years.

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

Yes ; No _____. Institution Name: TBD Have not selected lender yet.

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

Name: TBD Phone: TBD

F. The percentage of Project costs to be financed from public sector sources is estimated to equal the following: TBD - not finalized %

See sources/uses document

G. The total amount estimated to be borrowed to finance the Project is equal to the following:
\$ 20.4M See sources/uses document

VI. BENEFITS 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: N/A Dollars;
- b. Maturity requested: N/A 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 ___.

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? \$ 20.4M.

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? \$25M _____.

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:	\$ 2,032,500 _____
b.	Mortgage Recording Taxes:	\$ 345,000 _____
c.	Real Property Tax Exemptions:	\$ 4,354,164 _____
d.	Other (please specify):	_____
		\$ _____
		\$ _____

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.

C. Project Cost/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.). See attached cost/benefit document.

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, within 45 days of the end of the calendar year, reports regarding the number of people employed at the Project site, including (1) the NYS-45 – Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – for the quarter ending December 31 (the “NYS-45”), and (2) the US Dept. of Labor BLS 3020 Multiple Worksite report if applicable.
- E. 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 are included in the Agency's Policies which can be accessed at:

[http://www.townofmontgomery.com/DepartmentsBoards/Boards/IndustrialDevelopment Agency.](http://www.townofmontgomery.com/DepartmentsBoards/Boards/IndustrialDevelopmentAgency)

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

By its execution below, the Applicant acknowledges and agrees to the following:

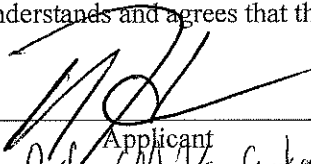
(i) The undersigned has read, understands and consents to the Agency's Local Labor Law Policy as adopted and amended (See, Policies at www.montgomeryida.com);

(ii) The undersigned affirms under the penalty of perjury that all statements made on this application are true, accurate and complete to the best of my knowledge; and

(iii) The undersigned understands and agrees that the Agency will rely on the statements made in this application.

By:

Title:



Applicant
Michael Dost / Milk Factory, LLC
Manager of Record / CEO

NOTE: APPLICANT MUST ALSO COMPLETE THE APPROPRIATE VERIFICATION APPEARING ON PAGES 24 THROUGH 27 HEREOF BEFORE A NOTARY PUBLIC AND MUST SIGN AND ACKNOWLEDGE THE HOLD HARMLESS AGREEMENT APPEARING ON PAGE 28.

VERIFICATION

(If Applicant is a Corporation)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____ deposes and says that he is the
(Name of chief executive 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 sole proprietor)

STATE OF _____)
) SS.:
COUNTY OF _____)

_____, deposes and says

(Name of Individual)

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.

Sworn to before me this
___ day of _____, 20__.

(Notary Public)

- VERIFICATION

(If applicant is limited liability company)

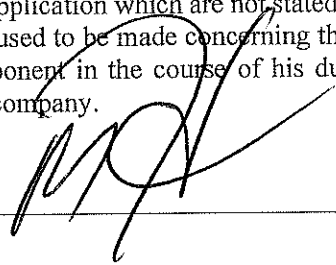
STATE OF New York,
COUNTY OF New York

) SS.:

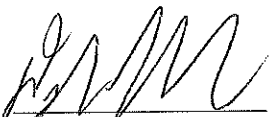
Michael Dorf, deposes and says
(Name of Individual)

that he is one of the members of the firm of Milk Factory, LLC,
(Limited Liability Company)

the limit liability 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. 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.



Sworn to before me this
24 day of June, 2021



(Notary Public)

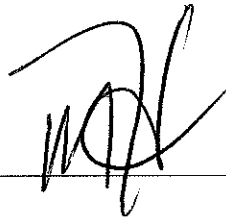
NOTE: THIS APPLICATION WILL NOT BE ACCEPTED BY THE AGENCY UNLESS THE HOLD
HARMLESS AGREEMENT APPEARING ON PAGE 30 IS SIGNED BY THE APPLICANT.

HOLD HARMLESS AGREEMENT

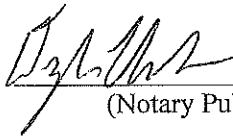
Applicant hereby releases Town of Montgomery Industrial Development Agency and the members, officers, servants, agents and employees thereof (hereinafter collectively referred to as the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency 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 financial assistance requested therein are favorably acted upon by the Agency, (B) the Agency's financing, 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 or, if applicable, find buyers willing to purchase the total bond issue requested, then, and in that event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all actual costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

(Applicant)

BY: _____



Sworn to before me this
24 day of June, 2024


(Notary Public)

TO: Project Applicants
 FROM: Town of Montgomery Industrial Development Agency
 RE: Cost/Benefit Analysis

In order for the Town of Montgomery 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 Please use attached cost benefit analysis.

1. Name of Project Beneficiary ("Company"):	
2. Brief Identification of the Project:	
3. Estimated Amount of Project Benefits Sought:	
A. Amount of Bonds Sought:	\$
B. Value of Sales Tax Exemption Sought	\$
C. Value of Real Property Tax Exemption Sought	\$
D. Value of Mortgage Recording Tax Exemption Sought	\$
4. Likelihood of accomplishing the Project in a timely fashion:	

PROJECTED PROJECT INVESTMENT Please use attached project budget.

A. Land-Related Costs	
1. Land acquisition	\$
2. Site preparation	\$
3. Landscaping	\$
4. Utilities and infrastructure development	\$
5. Access roads and parking development	\$
6. Other land-related costs (describe)	\$
B. Building-Related Costs	
1. Acquisition of existing structures	\$
2. Renovation of existing structures	\$
3. New construction costs	\$
4. Electrical systems	\$
5. Heating, ventilation and air conditioning	\$
6. Plumbing	\$
7. Other building-related costs (describe)	\$

Please use attached project budget.

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	\$
2.	Office equipment	\$
3.	Computers	\$
4.	Other furniture-related costs (describe)	\$
E.	Working Capital Costs	See attached Hotel Proforma.
1.	Operation costs	\$
2.	Production costs	\$
3.	Raw materials	\$
4.	Debt service	\$
5.	Relocation costs	\$
6.	Skills training	\$
7.	Other working capital-related costs (describe)	\$
F.	Professional Service Costs	
1.	Architecture and engineering	\$
2.	Accounting/legal	\$
3.	Other service-related costs (describe)	\$
G.	Other Costs	
1.		\$
2.		\$
H.	Summary of Expenditures	
1.	Total Land-Related Costs	\$
2.	Total Building-Related Costs	\$
3.	Total Machinery and Equipment Costs	\$
4.	Total Furniture and Fixture Costs	\$
5.	Total Working Capital Costs	\$
6.	Total Professional Service Costs	\$
7.	Total Other Costs	\$

PROJECTED PROFIT

I. Please provide projected profit as defined by earnings after income tax but before depreciation and amortization: Please use attached cost benefit analysis.

YEAR	Without IDA benefits	With IDA benefits
1	\$	\$
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$

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	0	\$	\$
Year 1	90	\$ 40-150k	\$
Year 2	120	\$ 40-150k	\$
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. 0

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. 52 FTE

III. Please provide estimates for the following:

A. Creation of New Job Skills relating to permanent jobs. Please complete Schedule A.
See attached employee matrix document.

IV. Provide the projected percentage of employment that would be filled by Town of Montgomery residents: 15%

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

This is based on local demographic data. We plan to target our hiring efforts to employ as many local people as possible.

PROJECTED OPERATING IMPACT

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

Additional Purchases (1 st year following project completion)	\$ <u>N/A</u>
Additional Sales Tax Paid on Additional Purchases	\$ <u>N/A</u>
Estimated Additional Sales (1 st full year following project completion)	\$ <u>N/A</u>
Estimated Additional Sales Tax to be collected on additional sales (1 st full year following project completion)	\$ <u>N/A</u>

II. Please provide estimates for the impact of Project on existing real property taxes and new payments in lieu of taxes ("Pilot Payments"): See attached cost/benefit analysis.

Year	Existing Real Property Taxes (Without IDA involvement)	New Pilot Payments (With IDA)	Total (Difference)
Current Year			
Year 1			
Year 2			
Year 3			
Year 4			
Year 5			
Year 6			
Year 7			
Year 8			
Year 9			
Year 10			

III. Please provide a detailed description for the impact of other economic benefits and all anticipated community benefits expected to be produced as a result of the Project (attach additional pages as needed for a complete and detailed response):

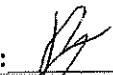
Aside from creating long term jobs for the area in both manufacturing and hospitality, we plan on collaborating with as many local vendors as possible. From our produce, meats and craft beverages that we use in the restaurants, to the soaps and furniture throughout the property.

CERTIFICATION

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

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

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

Date Signed: <u>24 June</u> , 20 <u>24</u>	Name of Person Completing Project Questionnaire on behalf of the Company. Name: <u>Noah Bobrowsky</u> Title: <u>Director, Design/Development</u> Phone Number: <u>(845) 901-6272</u> Address: <u>25 11th Avenue, New York, NY 10011</u> Signature: 
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OWNER'S ENDORSEMENT

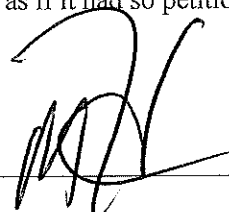
STATE OF NY)
COUNTY OF Orange) SS.:

Michael Dorf being duly sworn, deposes and says that he/she
(name)

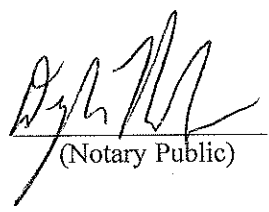
resides at 143 Aumick Road, Walkill, NY 12589 in the County of Ulster,
(street address)

State of NY, that he/she is the Sole Member of CWMD LLC, which
(official title)

is the owner in fee of the premises described in the attached application of Milk Factory LLC, and that
CWMD LLC has authorized Milk Factory LLC to make the attached application for financial assistance
to the Town of Montgomery Industrial Development Agency as described therein and it agrees to be bound
by all statements, conditions and representations contained therein as if it had so petitioned.



Sworn to before me this
24 day of June, 2024


(Notary Public)

CWMD, LLC
25 11th Ave,
New York, NY 10011



The Milk Factory

by **CITY WINERY**

Dear Town of Montgomery IDA,

This letter should serve to provide authorization to Milk Factory, LLC to submit the application to the Town of Montgomery IDA to pursue the available incentives.

Respectfully,

Michael Dorf
General Partner



www.townofmontgomery.com
Fax (845) 457-2760

TOWN OF MONTGOMERY

Carl L. Helstrom Government Center

110 BRACKEN ROAD
MONTGOMERY, NEW YORK 12549

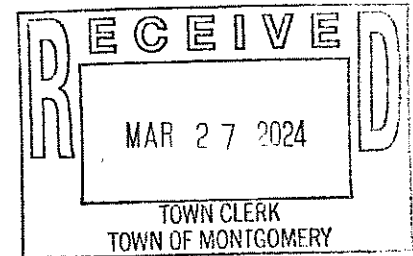
Building (845) 457-2640 Planning (845) 457-2643
Engineering (845) 457-2642 Zoning (845) 457-2644

March 27, 2024

CWMD LLC
143 Aumick Road
Walkill, NY 12589

Attn: Noah Bobrowsky

RE: The Milk Factory
2860 Rt. 208
Section 2 Block 1 Lot 4



Dear Noah:

This will confirm that at its regular meeting of 3/25/24, following the adoption of the Negative Declaration (attached), the Planning Board voted 7-0 to grant a Special Use Permit for the hotel and its various accessory uses and to grant Site Plan approval all with conditions.

Subject to compliance with the conditions of approval as outlined below, and based upon the extensive record, the Planning Board finds that all of the general conditions for any Special Use Permit as set forth in Zoning Law 235-15.4(A) and (B) have been met. Likewise, the board finds that the special conditions for a potentially heavy traffic generator per 235-15.4(2) have been met as well as the special conditions for a Hotel as per 235-15.4(28).

The Special Use Permit is conditioned upon the following:

1. All of the representations, assumptions, findings and conclusions set forth in the Negative Declaration dated 3/25/24 (14 pages) as if fully repeated here.
2. All final consultants' comments to be addressed on the final plan set.
3. All final fees to be paid, if any.
4. Final Lighting Plan to be approved by the Chairman or his designee.
5. Submit MS-4/Stormwater Agreement with TP-584.
6. Add the PE Certification block in a prominent place on the site plan.
7. Secure a Certificate of Appropriateness from the Town Historic Preservation Commission and obtain a formal Letter of Resolution from NYSOPRHP all prior to major site work and/or demolition or alteration of existing structures.
8. Secure a NYS DOT Highway Work Permit.

9. Secure all Orange County Department of Health approvals as required.
10. Secure approval from the Montgomery Town Board to create a new sewer district and to obtain an Intermunicipal Agreement with the Town of Shawangunk to convey the waste water from the project to the Town of Shawangunk.

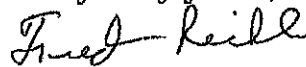
Condition #1 is ongoing, Conditions #2, 3, 4, 5 and 6 must be met before the plan set is signed by the Chairman.

Conditions #7, 8 and 9 must be met before a Building Permit is issued for the hotel.

Condition #10 must be met before a Certificate of Occupancy is issued for the hotel.

The Resolution was moved by Member BROWN III, seconded by Vice-Chair BEAUMONT and upon a vote of seven (7) ayes - Chairmen REICHLE, Vice Chair BEAUMONT and Members BROWN III, PENNINGS, MCGUIRE, ZAHAKOS and PRINCE and zero (0) nays was declared duly adopted.

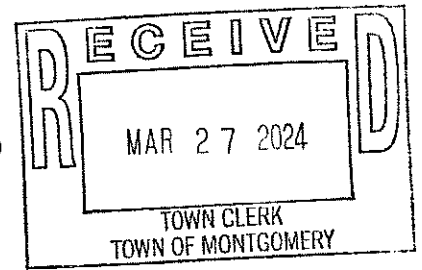
Very truly yours,



FRED REICHLE
Chairman

cc: Town Building Department, Jim Farr PE
Tara Stickle, Town Clerk
Supervisor Steve Brescia
L. Marshall PE
C. Bazydlo, Esq.

**TOWN OF MONTGOMERY PLANNING BOARD
SEQRA RESOLUTION AND
NEGATIVE DECLARATION**



Milk Factory (SBL 2-1-4) Special Use Permit and Site Plan Approval
Owner: CWMD, LLC
Applicant: CWMD, LLC

Determination: Please take notice that, according to the provisions of NYCRR, Part 617.7, and specifically 617.7(c), the Town of Montgomery Planning Board, as Lead Agency, having reviewed and considered a Full Environmental Assessment Form and other data submitted for the referenced project, evaluated the proposed action, and has determined that the action as described below will not have an adverse impact on the environment and the Planning Board has therefore adopted a Negative Declaration resolution to this effect.

- Lead Agency:** Town of Montgomery Planning Board
- Contact Person:** Suzanne Hadden, Secretary
Town of Montgomery Planning Board
110 Bracken Road
Montgomery New York 12549
(845) 457-2643
- Name of Project:** The Milk Factory Site Plan and Special Use Permit application for boutique hotel, restaurant, winery, & distillery with event spaces and other accessory uses.
- Location:** 2860 NYS Route 208, Town of Montgomery, Orange County (east side of the highway, just south of the Town boundary with the Town of Shawangunk/Ulster County)
- Tax Map Parcel:** Section 2, Block 1, Lot 4, Town of Montgomery, Orange County, NY
- SEQRA:** Type I, Coordinated Review
- Proposed Action:** The subject property is located in the Tech Industry (I-3) zoning district and the Floodplain Overlay zoning district. The project would be located on a parcel that fronts to NYS Route 208, known as Tax Parcel 2-1-4 (19.8 acres) - the parcel is split by NYS Route 208 into a Parcel A area consisting of 19.26 acres, and Parcel B located along the Walkkill River and consisting of 0.54 acres. To the east of the property is the Shawangunk, Walden and Walkkill Rail Trail and agricultural lands, including several parcels that are within Orange County Agricultural District No. 1. Shanti Mandir meditation center and single-family dwellings are located south of the property and a nursery business is located to the north.

The action involves renovating the former Borden New York Condensed Milk Company's condensory into a boutique hotel, restaurant, winery and distillery

with event space. Co-working space, bar, spa, gym, retail and office space open to the general public is also proposed. Improvements are not proposed on Parcel B. The project site is eligible for listing on the National and State Registers of Historic Places. The property is a Town of Montgomery locally-designated historic landmark and will need to obtain a Certificate of Appropriateness from the Town of Montgomery Historic Preservation Commission (HPC) - see Section 8 below.

The front yard of the parcel is located within the 100-year floodplain. The Project will be served by a sewer line to be extended from the Town of Shawangunk to serve the property. The action includes the creation of a new sewer district in the Town of Montgomery consisting of the project site. The Project will be served by on-site individual wells. Access to the site is provided by NYS Route 208 – it will be improved to add a left turn southbound lane into the property.

Project Description, Background and Reasons Supporting the Negative Declaration:

The Applicant, CWMD LLC, submitted applications to the Town of Montgomery Planning Board dated March 3, 2022, for special use permit and site plan approval. The subject property is located in the Tech Industry (I-3) zoning district, and a small portion of the site's frontage is in the Floodplain Overlay zoning district – the floodplain is associated with the Wallkill River which is on the west side of NYS Route 208. The project would be located on a parcel that fronts to NYS Route 208, known as Tax Parcel 2-1-4 and consisting of 19.8 gross acres. The property is also a Town of Montgomery designated historic landmark and alterations are subject to the review and approval of the Town of Montgomery Historic Preservation Commission. The site and extant buildings were formerly part of the Borden Condensed Milk Factory and the proposed project would result in the adaptive reuse of the buildings that remain.

As per a Project Narrative (June 2022), the hotel (including 43 guest units) would operate 24 hours per day. It would include a restaurant and restaurant bar. The building would also house co-work space, a café, a sky bar, a hotel lobby bar, gym, pool, spa, retail spaces and office spaces. A winery/distillery is also proposed. In this narrative, the Applicant proposed an outdoor event tent which would serve no more than 300 persons. There would be no outdoor concerts, and outdoor speakers would only be used in conjunction with microphones and occasional support for wedding bands. The project anticipates 90 full/part-time employees.

A 10,080 square foot maintenance building is proposed to be located to the northeast of the existing factory building. This building will store wine under production, provide storage for the restaurant and hotel uses. Attached to the maintenance building will be a 587 square foot bathroom and catering prep area that will contain restrooms to be utilized by guests in the outdoor event space and a preparation area to be utilized for catering the events in the outdoor event space.

An accessory, temporary event tent would be a 50-foot by 82-foot (4,100 square foot) tent to be located to the northeast of the existing factory building. This temporary tent will be utilized for outdoor events and will be erected in the Spring and removed in the late Fall each year. The Special Use Permit will incorporate the following design and operational parameters:

- The event tent may only be used from May through October.
- Operation shall be limited to no more than 2 events per week.
- The timeframe for events shall be limited to the hours between 2 PM and 10 PM.
- Noise monitoring shall be conducted by the applicant at the Shanti Mandir property line as set forth under Section 5 below.
- Events are defined as a gathering of humans using amplification for music or speaking, for a gathering such as, but not limited to, weddings, lifecycle events, engagement parties, fundraisers, birthdays, anniversaries, baby showers, corporate gatherings, networking events, & bar/bat mitzvahs.

A museum and hotel check-in will also be installed. A bike trail will be created on the original railroad spur location. A wood bridge will span over the stone foundation ruins at the north end of the property which will be preserved as a historical feature to observe as one passes over.

This Negative Declaration considers the impacts associated with the proposed action.

FINDINGS:

In accordance with the regulations implementing the NY State Environmental Quality Review Act ("SEQRA"), Part 1 of the short Environmental Assessment Form (EAF), dated January 18, 2022. As the proposed action is a Type I action, a full EAF Part 1 was submitted, dated May 4, 2022, and last revised July 1, 2022. The Planning Board determined that the action should be classified as a Type I Action on June 13, 2022, and circulated a Notice of Intent to Act as Lead Agency. There being no opposition, the Planning Board assumed Lead Agency status.

Based upon an extensive review of the site plan and submitted studies, site visits, comments submitted by the public, analyses and comments of the Planning Board and its consultants, it has been determined that the proposed action will not have a significant adverse impact on the environment. The following shall serve as the Board's findings to its review of the Full EAF Part 2 evaluating specific potential environmental concerns.

1. **Impacts on Land.** According to the United States Department of Agriculture Soil Survey for Orange County, the soils located on the project site are Hoosic gravelly sandy loam, Erie gravelly silt loam, Castile gravelly silt loam, Scio silt loam, and Collamer silt loam. As per the SWPPP, the project involves approximately 10.5-acres of disturbance and proposes approximately 4.78 acres of total impervious cover at the site. The overall impervious cover at the site will increase by approximately 2.97 acres as result of the proposed development.

Under the requirements of the current SPDES General Permit for Stormwater Discharges from Construction Activity (NYS GP-0-20-001), a Stormwater Pollution Prevention Plan (SWPPP) is required and has been prepared and is discussed under Section 2 below. Soil erosion and sediment control measures are required to be implemented – they are set forth on Sheet 12 of the site plan. These would include check dams, dust control, temporary and permanent seeding, silt fences, soil stockpiling, and other measures. Further, permanent landscaping of areas not to be developed with impervious surfaces will reduce the potential for long-term erosion or sedimentation. The project is not anticipated to have a significant adverse impact.

2. **Impacts on Water Resources and Wetlands.** The site slopes from east to west and a majority of the site runoff drains through the existing drainage culverts under NYS Route 208 to the Wallkill River, a Class B stream. An isolated area in the northeasterly portion of the site of the site drains offsite to the north. A small area in the southerly portion of the site drains to the south, into an existing class C stream that generally runs along the southerly property line. No wetlands currently exist on or in close proximity to the project site except along the Class C stream.

The frontage of the project site is located within the 100-year floodplain associated with the Wallkill River which is a NYSDEC fifth order stream. The Applicant's Engineer prepared a Stormwater Pollution Prevention Plan (SWPPP), last revised February 22, 2024. The proposed development is a construction activity resulting in the soil disturbance of one (1) or more acres and is required to obtain coverage under the current New York State Department of Environmental Conservation (NYSDEC) State Pollutant Discharge Elimination System (SPDES) General Permit for Stormwater Discharges from Construction Activity (GP 0-20-001). As per a letter dated July 24, 2023, the Town Engineer has opined that stormwater treatment is required but not stormwater detention beyond the 1-year 24-hour storm event. Release of the project's stormwater to the adjoining Wallkill River prior to the peak flow of the Wallkill River reaching the site complies with NYSDEC stormwater standards. The SWPPP proposes various green infrastructure techniques to treat stormwater runoff including vegetated filter strips, vegetated swales, tree plantings, and disconnection of rooftop runoff. To provide the required water quality treatment, seven (7) bioretention basins and one (1) dry swale have been incorporated.

The Applicant's Engineer submitted an engineering report dated May 24, 2023, with HydroCAD attachments for the proposed project. As per a letter dated June 9, 2023, the Town Engineer indicated he reviewed the floodplain development permit application and an engineering analysis regarding filling the onsite floodplain. The report concluded that filling the floodplain as required to facilitate emergency access to the site will result in an approximately 1/8-inch rise of the floodplain elevation for a 100-year storm event. The Town Engineer finds that the change would not result in an adverse impact on the floodplain or structures in the floodplain.

3. **Impacts on Sewer and Water.** The project site is not located within a town water or sewer district. It is anticipated the proposed use will generate a demand for 18,080 gallons per day of water supply and 18,080 gallons per day of wastewater flow.

The Applicant proposes to install two deep rock on-site wells as shown on the site plan. The wells are intended to supply water to the facility. The size and occupants proposed within the facility classify the water supply as a public water system. As per an email dated August 3, 2023, the Orange County Department of Health (DOH) found the proposed well location to be acceptable. The DOH has expressed that Subpart 5-1, Public Water Systems (Appendix 5D) water quality testing is required after the well has been installed, and the well shall meet the standards set forth for transient non-community water systems (TNCWS). Once all testing is completed, the Applicant will submit application to the DOH for review and approval of the well, water lines, and treatment for the newly proposed public water system prior to any water improvement construction.

The proposed wastewater collection system is a gravity sewer collection system onsite. The collection system will convey wastewater flows to the proposed sanitary sewer pump station at the northwest corner of the site along NYS Route 208. The pump station will be designed to convey

wastewater to the Town of Shawangunk in Ulster County. The Town of Shawangunk is proposing a sewer main extension near the municipal boundary line (shared with the Town of Montgomery) along NYS Route 208, through which the project's proposed sanitary sewer flow will be conveyed to the Town of Shawangunk Sanitary Sewer Plant. The applicant is also proposing a sanitary sewer district (to consist of the subject parcel only) within the Town of Montgomery. An inter-municipal agreement between the Town of Montgomery and Town of Shawangunk will be filed to convey the sewer from the parcel to the Town of Shawangunk and to address other related matters.

4. **Impacts on Transportation.** The proposed project would be developed with a full access driveway and an emergency access only driveway onto NYS Route 208. Conversion of the vacant buildings would result in the introduction of traffic to and from the site. NYS Route 208 is under the jurisdiction of the NYSDOT, which has reviewed the proposed access improvements.

A Traffic Impact Study (TIS) was prepared by Stephan A. Maffia, P.E. (September 21, 2022). The analysis considered impacts to NYS Route 208 at two proposed driveways for the development. Automatic traffic recorder counts (ATR) were collected in September 2022. Traffic volumes and speeds were also collected. The TIS examined impacts to the Weekday PM and Saturday peak hour conditions. The Project was evaluated based on the following parameters:

- 43-room boutique hotel;
- 150-seat sitdown restaurant;
- Banquet hall with maximum seating of 525 guests (note that the application has been updated to incorporate an event tent for no more than 300 persons – this would result in lesser vehicular trips); and
- Other associated hotel/restaurant amenities.

To determine trip generation, the traffic analysis considered trips generated by the hotel and restaurant. Various scenarios were studied related to the banquet hall and restaurant combination of use. Based on the analyses, the TIS indicated that intersection of the site's proposed driveways with NYS Route 208 would result in acceptable Levels of Service of A or B. Sight distance requirements at the access points are met; it is recommended that only low growing plantings be installed along the frontage to maintain sight distances. The TIS noted that the posted speed limit (45 mph) was found to be exceeded in the 85th percentile. Certain measures including additional speed sign posting were recommended for consideration by NYSDOT. Construction-related traffic is not anticipated to be significant.

On July 21, 2023, the Applicant's Engineer submitted the site plan and traffic impact study to the NYSDOT to review the two proposed access points. As per the transmittal letter, two (2) minor commercial entrances are proposed as the existing factory building exceeds 30 feet in height and is in excess of 62,000 square feet. In accordance with Section D104.1 and D104.2 of the 2020 New York State Fire Code, the facility "shall be provided with two separate and approved fire apparatus access roads". Additionally, Section D104.3 of the 2020 New York State Fire Code requires the fire apparatus access roads to be separated by not less than one half of the length of the maximum overall diagonal dimension of the area to be served. To meet the requirements of the fire code, two (2) driveways must be provided off of NYS Route 208. The plans were reviewed by the NYSDOT. As per a letter dated November 22, 2023, the NYSDOT indicated it would only approve one (1) entrance, and it must be designed with a left-turn lane southbound from NYS Route 208 into the

facility. Subsequently, the Applicant submitted revised plans showing a full access and a new proposed emergency only driveway onto Route 208. On March 22, 2024, the NYSDOT issued a letter granting conceptual approval to the revised access layout. The agency expressed no further SEQRA concerns. The final design of the improvements, including updating drainage improvements in the highway, will be approved by the NYSDOT as part of the agency's Highway Work Permit.

Based on the results of the Traffic Impact Study and NYSDOT conceptual approval, no significant adverse impacts to traffic are anticipated.

5. **Impacts on Air Quality and Noise.** The proposed project is not anticipated to generate any significant adverse impacts to air quality.

The proposed project will adjoin Shanti Mandir, a religious ashram which relies on quietude as part of its meditative practices. As an adjoiner, Shanti Mandir has expressed concern with the operation of the hotel's outdoor accessory event tent. The Planning Board required that the Applicant commission a noise study to assess whether the operations would impact ambient sound levels at the property line with Shanti Mandir. Outdoor sound pressure level studies were prepared by Marc Colletti, City Winery Concert Production and Technical Director. A series of sound pressure level ("SPL") tests were conducted along the shared property lines. The testing equipment consisted of a professional level concert speaker system, as well as a professional grade sound pressure metering device, with microphone. The sound source reproduced through the speaker system was a live musical group playing rock music, specifically playing the chorus of Paul Simons "You Can Call Me Al". Each test had the band perform this repeated song selection to reproduce a consistent SPL to ensure the most accurate and cohesive results at all test locations, all SPLs were recorded in a dBA weighted scale. The analyses concluded that the noise levels would not increase by more than 3 dBA. The noise monitoring was performed on April 20, 2023, between 12:50 PM and 1:43 PM, and again on May 24, 2023, between 12 PM to 1 PM. The Applicant's analyses were reviewed by B. Laing Associates, the noise consultant retained by the Town to assess the results.

The Milk Factory site is zoned Industrial, and the Shanti Mandir Site is zoned Residential. The Town of Montgomery noise local law requires that the maximum noise at the Milk Factory boundary shall not exceed 61 dBA between 7 AM and 9 PM and 51 dBA between 9 PM and 7 AM. To address concerns associated with the noise levels that may emanate from outdoor use of the tent, the Planning Board finds that noise levels either shall not exceed those required by the Town of Montgomery noise local law for the applicable time of day nor shall result in a 3 dBA increase over ambient noise levels, whichever is lower. The following modifications shall be incorporated into the project's design and operation:

- **Speaker placement.** Noise reduction will occur as a result of the directional placement of sound speakers away from the receptors. That is, the speaker/amplifiers shall be pointed in the opposite direction of the receptor. In this case, the noise source shall be directed to the north, facing away from the Shanti Mandir receptor.
- **DJ/Band Location.** Significant topography exists south of the southeast corner of the event tent. This existing, natural topography can provide sound attenuation and so, the southeast corner of the tent would be the required location for the music equipment with speaker placement as provided above.
- **Barriers.** Sound absorption barriers shall be placed behind the DJ/band. The barriers will exist

from the ground and reach above and over the DJ/band. The barrier shall extend beyond the speaker lines by at least 18" and run at a 45-degree angle. These barriers will substantially reduce the sound pressure in locations 90 to 180 degrees behind the sound source and so, reduce sound propagation and increase its attenuation to areas south of the event tent.

- **Event Tent.** Any tent flaps/panels that are capable of being opened which face in the direction of Shanti Mandir shall remain closed during events. Any gaps around the perimeter of the tent shall be covered to prevent noise transmission.
- **Equipment.** Mechanical equipment shall be placed farthest from noise sensitive receptors.
- **In addition to the above operational parameters,** a berm shall be constructed along the southern border of the proposed tent area and bushes, hedges and shrubs will be installed to absorb and deflect sound, as shown on the site plan. Twenty (20) evergreen trees will be planted throughout the forested area along the southerly property line to further disperse sound from traveling to the sensitive noise receptor. Said plantings shall be maintained for the life of the use, any dead or dying plantings replaced as soon as the planting season for the species allows, and plantings shall not be substituted without Town review.

In order to ensure that the noise levels comply with the Negative Declaration, a monitoring plan will be implemented. For these purposes, the Property Owner/Operator will be required to maintain a sound meter on-site which is capable of accurately measuring noise levels in the A-weighted scale. Immediately before and during an event, the owner or operator shall be required to measure and record ambient sound levels at the nearest property line shared with Shanti Mandir for every event involving amplified sound. Any noise level from on-site entertainment shall be maintained at a noise level so as not to result in an increase of 3dBA at the property line or to exceed the Town's noise local law. Any noise emanating from the entertainment shall be reduced, as necessary, to meet these two requirements. Recordkeeping shall be maintained of the noise results at each event and shall be provided to the Town Building Department upon request. Should there be any noise complaints to the Building Department and upon referral from same, the Building Department has the authority to investigate the complaints and withdraw or suspend a certificate of occupancy for the event tent until such time that the Applicant is able to investigate the complaints and demonstrate compliance.

- 6. Impacts on Plants and Animals.** Based upon the NYSDEC Environmental Resource Mapper program, the Bald Eagle (*Haliaeetus leucocephalus*), a NYS-threatened species, is potentially present on or in the vicinity of the site. Email correspondence with NYSDEC has indicated that the closest evidence of a nesting Bald Eagle is in excess of 3,300 feet from the project site.

The wetland and stream habitat along the western portion of the property will remain undisturbed. No disturbances, other than those identified for the isolated non-jurisdictional wetland on the site plan, shall occur to the on-site wetlands. No significant impacts to plants or animals is anticipated.

- 7. Impacts on Agricultural Resources.** According to 2023 Orange County Real Property tax data, the project site is not in agricultural use or located within an Orange County certified agricultural district. However, the project site is located adjacent to lands in farming operation and within a certified agricultural district. A right-to-farm note will be added to the site plan. Given the transient commercial use of the property, no impacts are anticipated to farming operations.

8. Impacts on Archaeological, Historic and Aesthetic Resources. As identified on the NYSOPRHP CRIS system, the project site is part of the Borden Home Farm Historic District, a National Register eligible district which extends into the adjoining Town of Shawangunk to the north. As per the Resource Evaluation prepared by the NYSOPRHP, the site is a *“scientific farm by John G. Borden, Borden Farms encompassed hundreds of acres of farmland to the south and east of the present-day Village¹ of Wallkill and Routes 208 and 300, and included an estimated 70 buildings and structures, many of which survive to portray the history of the farm. The survival of the farm core, with the majority of its Borden-era buildings and infrastructure, and the high degree of integrity of much of the surrounding farmland that comprised the farm, combine to form a largely intact and evocative rural historic district. The farm offers a remarkable glimpse into what is a largely unique and rare historic resource in New York State.”* The description specifically notes the condensed milk factory, located near the Wallkill River and the railroad but “now sadly in a state of advanced decay”, was erected in association with the farm and allowed for products to be shipped quickly and conveniently to distant markets, and is specifically identified as National Register eligible. The property is also a designated Town of Montgomery local historic landmark. As such, it is subject to the regulations set forth in Chapter 157, Landmarks and Historic Districts, of the Town of Montgomery Code. Given the alterations proposed to the site, a certificate of appropriateness (COA) is required to be obtained from the Town of Montgomery Historic Preservation Commission (HPC). It is also subject to review by the NYS OPRHP.

In order to evaluate potential impacts to archaeological resources, a Phase I Investigation was conducted by Alfred G. Cammisa and Alexander Padilla (March 2023 report). The Phase IA report had determined that based upon topographic characteristics and proximity to prehistoric sites, the property was assessed as having an above average potential for encountering prehistoric sites. Based upon topographic characteristics and proximity to historic sites and map documented structures, the property was assessed as having a higher than average potential for encountering historic sites. The Phase IB archaeological field survey included 331 shovel tests and no prehistoric sites were encountered. An historic site industrial building complex was encountered. No historic artifacts were encountered. In a letter dated April 21, 2023, the NYSOPRHP found that the investigation did not encounter precontact or historic artifacts. As a result, the agency expressed no further archaeological concerns regarding the project.

With regard to historic resources, the NYSOPRHP entered into a formal Letter of Resolution (LOR) agreement with the Applicant on September 27, 2023. The LOR stipulations are as follows:

- The Project Site shall be documented with a brief historical narrative and photographs to be taken before the demolition begins. The documentation shall depict the previous conditions of the facility and follow standard documentation requirements (Attachment A of the LOR). The Applicant will deliver one (1) copy of the report to the OPRHP for forwarding to the New York State Archives, one (1) copy of the report will be provided to an appropriate local repository, and one digital copy of the report for OPRHP to be uploaded to CRIS.
- Documentation of the rehabilitation of the Project Site, specifically the repairs and renovations to the historic buildings within the Complex, shall be provided to OPRHP.
- Continued consultation with OPRHP for submission of the final design and development of the Project Site.

¹ Wallkill is actually a hamlet, not an incorporated village.

- Installation of an interpretative display to be located within the Project Site regarding the history of the Project Site.
- Historic finishes that are removed from the Project Site will be reincorporated back into the Project Site as a building material or incorporated into the Interpretative Display.
- The existing brick walls will remain and be fortified, and the building masonry massing will remain the same. Any new brick to be installed will match the existing brick.

This Negative Declaration incorporates the final LOR established by the NYSOPRHP. All reports and submissions shall be made prior to any demolition, alteration, construction, and the Applicant shall submit evidence of compliance from the agency prior to any permits being issued by the Building Department.

The Montgomery Historic Preservation Commission, as per their deliberations to grant a COA, will require the following modifications to the building:

- The metal fascia in the upper-level glass additions shall be changed to a dark colored matte in the gray family;
- The undersides of all upper-level overhangs shall be covered in a cedar tone or similar wood in order to avoid distracting from the original brick work on the lower levels;
- All overhangs on the top level shall be on the same plane;
- All windows shall be of polarized glass;
- The shed building on the left rear and the overhang covering the elevator shaft shall have plantings or greenery on the front side in order to soften the look of them;
- Plantings will be installed along the side of the maintenance building to soften the look of it from the street/front of the property.

The Planning Board assessed whether the plan limits light levels and spillover to adjoining properties. The project incorporates lighting which will comply with the Town Montgomery lighting standards, will be dark sky-compliant, and final review by a Planning Board designee will occur prior to site plan set signing.

The project also incorporates a landscaping plan which the Town's landscape consultant has determined is adequate.

Based on the above evaluations, the Project is not anticipated to have a significant adverse impact on archaeological, historic or aesthetic resources.

9. **Growth and Character of Community or Neighborhood.** The proposed project is located on the east side of NYS Route 208 within the Tech Industry ("I-3") zoning district. The frontage of the site is also located in the Floodplain Overlay zoning district. To the north, the site adjoins a property that has been used for greenhouses and cultivation. To the west, the site adjoins the Wallkill River. To the south, the property adjoins Shanti Mandir, an ashram or religious monastery. To the east, the site extends to a rail trail – beyond the trail is farmland which is part of the large Shanti Mandir property. The I-3 zoning district allows the proposed use by special use permit, which is considered a permitted use provided it meets any general or specific standards applicable to the use. Hotels are allowed by special use permit. As per the zoning, a hotel is a commercial building containing

overnight accommodation guest units which share common entrances and are accessed via a common hallway. Conference rooms, restaurants, bars, lounges, gift shops, sundries shops, business centers, fitness centers and recreational amenities are considered accessory to a hotel, so long as they are primarily intended for use by hotel guests. A hotel may include up to one overnight accommodation to be utilized by staff and/or employees and their family on a nontransient basis.

Hotels are regulated in accordance with Section 235-15.4(28) of the Town zoning chapter. The requirements are:

- (a) There shall be at least two acres of lot area plus an additional 1,500 square feet for each additional overnight accommodation guest unit beyond the first 75. **This is met.**
- (b) Accessory uses to a motel, inn and/or hotel on the same lot may include a related office, restaurant facilities, conference rooms, bars, lounges, gift shops, sundries shops, business centers, fitness centers, recreation facilities solely for use by guests and off-street parking, and which shall not exceed 25% of the total floor area. The Applicant submitted a table of the various principal and accessory uses that will be located on the project site. Based on the Planning Board's review, the following represent the spaces the Planning Board has determined are accessory uses: event tent (4,100 SF), spa/gym (6,630 SF), restaurant – building A (6,392 SF), tasting room – building N-104 (635 SF), retail shop M-102 (336 SF), pool area (7,304 SF). These spaces total 25,397 SF. **This is met.**

SPECIAL USE PERMIT REQUIREMENTS AS PER 235-15.4(C)(28)(b)	
HOTEL ACCESSORY CALCULATIONS	
Building Complex Total SF	103,711 SF
25 Percent of Building Total SF	25,927 SF
Hotel Accessory Total SF	25,397 SF, or 24.5%

- (c) Motels, resorts, inns and hotels shall be occupied only on a transient basis, with the exception of a single overnight accommodation guest unit, which may be used for occupancy by employees. **This is met.**
- (d) Resorts shall provide at least 200 square feet of accessory interior recreational, restaurant, bar, lounge, or fitness floor area or at least 5,000 square feet of exterior recreational amenities per guest room or any combination thereof. **The Applicant proposes a hotel, not a resort.**

In addition, the use may also be considered a heavy traffic generator. The use meets the requirements of this special use permit as per Section 235-15.4(2).

Variances are not required to accommodate the proposed development. To the extent the existing building does not meet minimum front yard requirements, this is a pre-existing noncomplying condition and no further encroachment into the front yard is proposed.

From a community character perspective, a primary potential impact is related to noise generation, lighting levels, and visibility of the proposed development from adjoining properties. This is addressed previously in Section 8 above.

Based on the foregoing, no significant adverse impacts to community character are anticipated.

10. **Critical Environmental Area.** The proposed project is not located within a Critical Environmental Area. No significant adverse impact will result.
11. **Energy.** The proposed development will increase demand for energy services. However, it is not anticipated that it would result in a significant increase that could not be met by existing services. The site will incorporate solar panels and other energy efficient measures. No significant adverse impact is anticipated.
12. **Community Facility and Services.** The proposed project is not anticipated to result in any significant adverse impact to community facilities and services. The proposed project is situated within the Walden Fire District and is approximately 2.5 miles from Firehouse No. 2 on Wait Street. The site is approximately 5.5 miles from the Town of Montgomery Police Department located on Bracken Road. The Applicant has coordinated review of the site plan with the Walden Fire District. As per the Applicant's Engineer response letter (October 18, 2022), the Applicant and consultants met with the Walden Fire Department on August 30, 2022, to review the site plan. The building is being designed to include fire suppression systems. The fire department did not issue any substantive comments that necessitated changes to the site plan. The Applicant will work voluntarily with the fire department to determine whether river access can be provided for firefighting purposes. The Planning Board has determined that river access for firefighting purposes only would not have any adverse impacts.
13. **Environmental Health.** The proposed project will not result in any activities or processes that would impact environmental health. The site has not been identified on any database as one having undergone or requiring environmental remediation. This Negative Declaration is based on the information submitted as part of the SEQRA record and storage of hazardous materials is not contemplated or considered as part of this application.
14. **Open Space and Recreation.** The proposed project is not anticipated to result in any loss of open space or recreational facilities utilized by the public. The project has been designed to incorporate recreational facilities including a pool and bike trail which will be connected to the Walkkill to Walden Rail Trail. Thus, the development may place some demand on a public resource. However, given the transient nature of the use, the demand is not anticipated to be adverse or significant.

NEGATIVE DECLARATION RESOLUTION

WHEREAS, the special use permit and site plan which have been reviewed by the Planning Board and are the subject of this SEQRA resolution are entitled "Milk Factory", prepared by MNTM, PC, and last revised March 21, 2024. The site plan set consists of the following sheets, as may be revised by any final review and conditions imposed by the Planning Board:

Sheet No.	Revision Date	Sheet Name
1	3/22/24	Cover Sheet
2	3/24/23	Existing Conditions Plan
3	3/20/24	Demolition & Clearing Plan
4	3/5/24	Overall Site Plan
5	3/5/24	Site Plan Detail A

Sheet No.	Revision Date	Sheet Name
6	3/5/24	Site Plan Detail B
7	3/5/24	Site Plan Detail C
8	3/5/24	Building Drainage Detail Plan
9	3/5/24	NYSDOT Entrance Details
10	7/19/23	Detail Sheet 1
11	3/5/24	Detail Sheet 2
12	3/5/24	Erosion & Sediment Control Plan
13	1/26/24	Erosion & Sediment Control Details
14	1/26/24	Stormwater Details
15	7/19/23	Sewage Disposal Details
16	3/24/23	Well & Water Distribution Details
17	3/5/24	Left Turn Lane Detail
18	3/20/24	Landscaping Detail Sheet
19	3/20/24	Landscaping Detail Sheet 2
20	3/20/24	Landscaping Detail Sheet 3
21	3/22/24	Lighting Plan – Sheet 1
22	3/22/24	Lighting Plan – Sheet 2
23	3/22/24	Lighting Details

NOW, THEREFORE, BE IT RESOLVED that:

1. The Planning Board duly considered the record, together with the action, and having analyzed each of the potential areas of environmental concern associated with the special use permit and site plan in accordance with procedures set forth at 6 NYCRR Part 617 and the criteria set forth at 6 NYCRR Part 617.7 pursuant to the requirements of the State Environmental Quality Review Act (SEQRA), Article 8 of the Environmental Conservation Law of the State of New York, the Planning Board on March 25, 2024, adopts a Negative Declaration, finding that approval of the proposed action will not have a significant adverse impact on the environment for the reasons stated herein.
2. That this resolution shall be deemed a Notice of Determination of Non-significance issued pursuant to 6 NYCRR Part 617 and Article 8 of the Environmental Quality Review Act, and the Planning Board secretary is hereby directed to file and circulate this Notice in accordance with the requirements of Part 617.

Resolution offered by Member Brown III, seconded by Member Beaumont, adopted on a vote of 7 ayes, 0 nays, 0 members abstaining, 0 members absent.

Planning Board Member	Roll Call Vote			
	Aye	Nay	Abstain	Absent
Fred Reichle, Chairman	X			
Jay Beaumont, Vice Chairman	X			
John Brown III	X			
Ryan McGuire	X			

Rose Pennings	X			
Darran Prince	X			
Cheri Zahakos	X			

Dated: March 25, 2024

This Notice Shall be Filed with the following Involved and Interested Agencies:

Town of Montgomery Planning Board
110 Bracken Road
Montgomery, New York 12549

Town of Montgomery Town Board
110 Bracken Road
Montgomery, New York 12549

Town of Montgomery Building Department
110 Bracken Road
Montgomery, New York 12549

Town of Montgomery IDA
110 Bracken Road
Montgomery, New York 12549

Orange County Health Department
124 Main Street
Goshen, New York 10924

Orange County Planning Department
124 Main Street
Goshen, New York 10924

Walden Fire District
230 Old Orange Avenue
Walden, NY 12586

New York State Department of Environmental Conservation
Region 3 Permit Administrator
21 South Putt Corners Road
New Paltz, New York 12561

OPRHP, Field Services Bureau – Peebles Island
PO Box 189
Waterford, NY 12188-0189

Patricia Henighan, Chairperson

Town of Montgomery Conservation Advisory Council
110 Bracken Road
Montgomery, New York 12549

Mary Ellen Matisse, Chairperson
Town of Montgomery Historic Preservation Commission
110 Bracken Road
Montgomery, New York 12549

Town of Shawangunk Town Board
P.O. Box 267
Wallkill, NY 12589

New York State Department of Transportation
SEQR Unit, Traffic Engineering and Safety Division
4 Burnett Boulevard
Poughkeepsie, New York 12603

United States Army Corps of Engineers (USACE)
Wetlands and Section 404 Clean Water Act
USACE Operations/Regulatory 16-406
c/o PSC Mail Center
26 Federal Plaza
New York, NY 10278

School of Practical Philosophy
846 Borden Circle
Wallkill, NY 12589

Shanti Mandir
c/o Larry Wolinsky, Esq.
160 Ten Broeck Avenue
Kingston, NY 12401

Richard Hoyt, Esq. (for the Planning Board)
P.O. Box 402
Walden, New York 12586

Charles Bazydlo, Esq. (for the Applicant)
5 Howard Seely Road
Thompson Ridge, NY 10985

Operator	Use of Property	# FT Employees	# PT of Employees	Combined FT/PT Employees	Hrs/Operation
City Winery	Restaurant & Bars	4	22	11.5	7am-12am (hrs vary by outlet)
	Kitchen	2	8	4	6am-9pm (hrs vary by outlet)
	Room service	0	3	1.5	7am-12pm / 5pm-10pm (varies)
	Private events Sales Team	3		3	8am-5pm (daily)
	Events Operations	2	15	6.5	
	Winery/distillery	2	4	3	8am-5pm (daily)
	Tasting Room	1	8	4	8am-10pm (weekdays)
					8am-12am (weekends)
	Valet		6	1.5	

Hotel Operations Co					
Hotel Operations Co	General Manager/AGM	2		2	8am-11pm (weekdays) 8am-12am (weekends)
	Operations Manager	1		1	8am-11pm (weekdays) 8am-12am (weekends)
	Operations Supervisor	1		1	8am-5pm (daily)
	Accounting / Admin	1		1.5	8am-10pm (weekdays) 8am-12am (weekends)
	Guest Services	3		4.5	8am-10pm (weekdays) 8am-12am (weekends)
	Housekeeping	2		4.5	

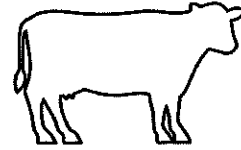
Spa Co					
Spa Co	Gym/Spa/Pool	1	5		10am-5pm (weekdays) 10am-6pm (weekends)

Retail					
Retail	Retail Store	1	3		10am-5pm (weekdays) 10am-6pm (weekends)

Property Maintenance					
Property Maintenance		2	1	2.5	9am-5pm (daily)

Total Employees	26	81	52		
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Milk Factory, LLC
25 11th Ave,
New York, NY 10011



The Milk Factory

by 

List of Permits and Approvals Needed:

Federal

- Winery license from the Alcohol and Tobacco Tax and Trade Bureau: Expected 2025.
- Distillery license from the Alcohol and Tobacco Tax and Trade Bureau: Expected 2025.

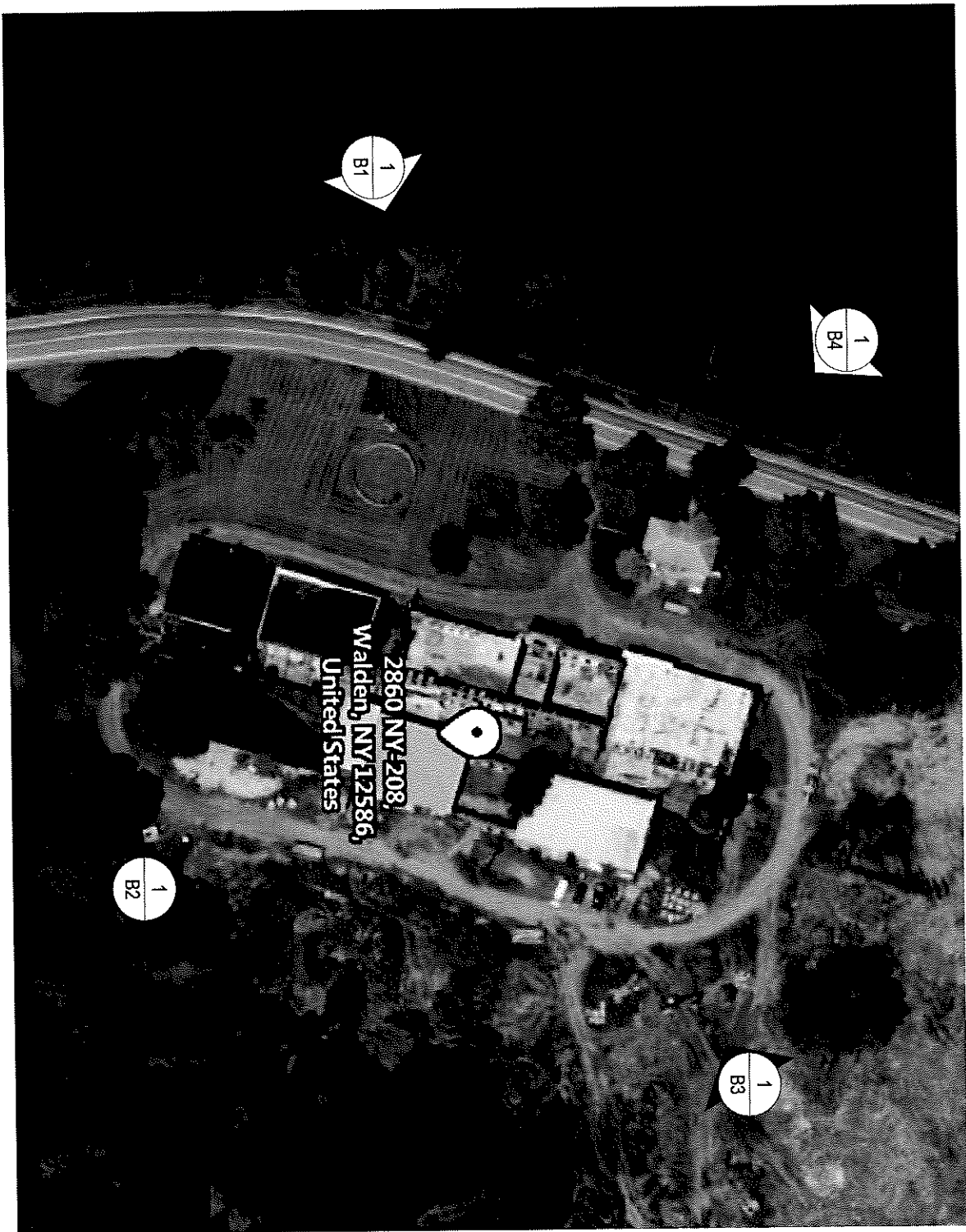
State

- Certificate of Authority from Dept of Tax and Finance: Received June 2022.
- Manufacturing and On-Premise Consumption license from State Liquor Authority: Expected 2025.
- SEQRA Environmental Assessment approval: Received March 2024.
- New York State Department of Transportation: Driveway entrances & drainage connections: Conditional Approval granted March 2024.
- New York State Department of Environmental Conservation: State Pollutant Discharge Elimination System (SPDES) for Sewage Disposal System, SPDES for Construction Activity: Completed March 2024.
- New York Office of Parks, Recreation and Historic Preservation: Review of impacts to historical structures: Received September 2023.
- New York State Department of Health: Private Water Supply: Conditional approval received March 2024.

Local

- Food Service Establishment permit Orange County Department of Health: Expected 2025.
- Business Certificate from the Orange County Clerk's Office: Expected 2025.
- Certificate of Occupancy from Town of Montgomery Code Enforcement Officer: Expected 2026.
- Building Permit from Town of Montgomery Code Enforcement Officer: Expected 2024.

- Inspection by Fire Department: Expected 2026.
- Town of Montgomery Planning Board: Site Plan, Special Use, & Floodplain Development Permits: Received March 2024.
- Town of Montgomery Historic Preservation Commission: Site Plan Review: Received April 2024.
- Orange County Planning Department: General Municipal Law Section 239-I, m, & n Referral: Received April 2024.
- Orange County Department of Health: Private water supply: Conditional approval received March 2024.



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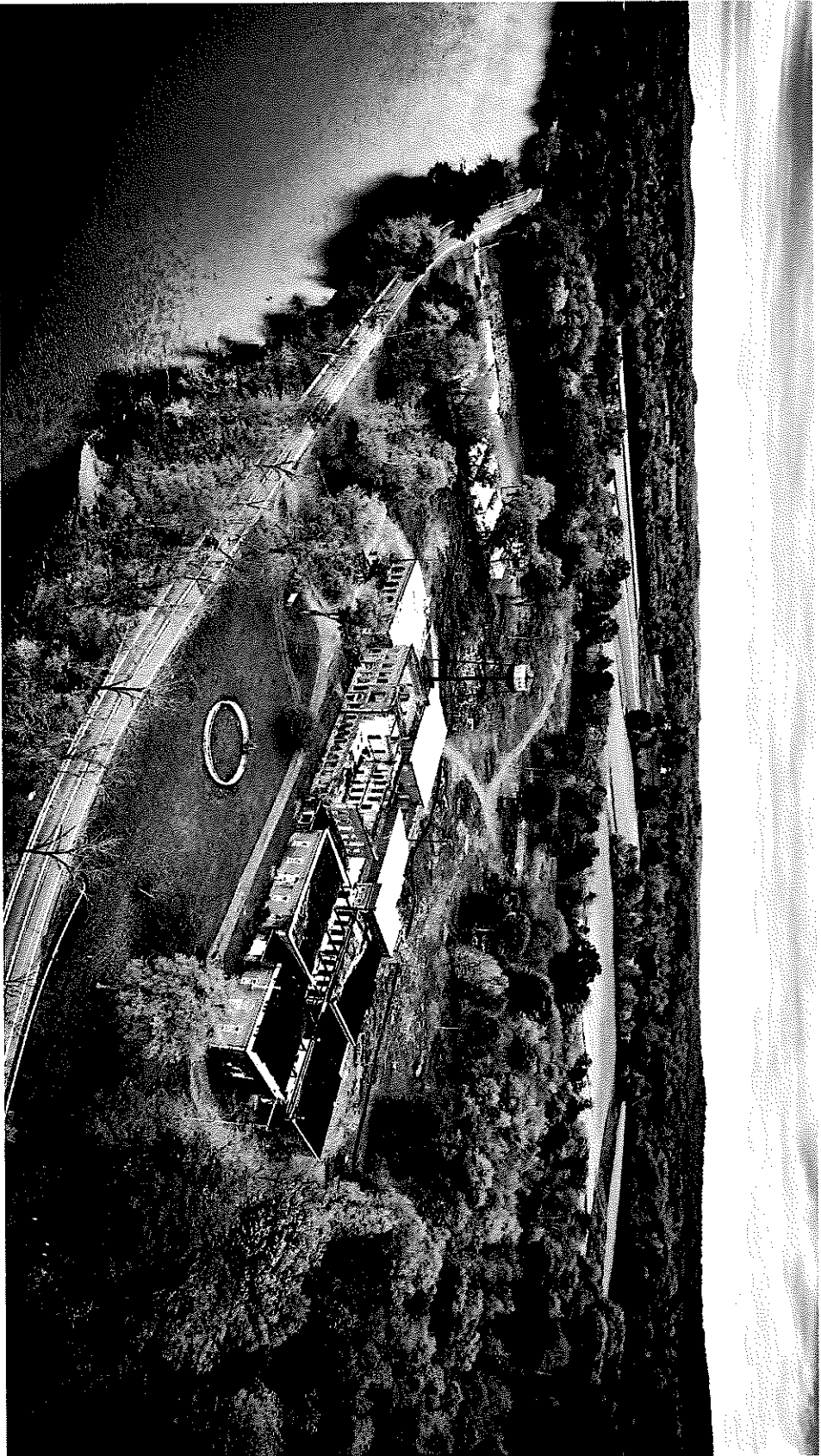
2860 NY-208,
Walden, NY 12586,
United States

TODD ZWIGARD ARCHITECTS
145 LIME KILN ROAD
DOVER PLAINS NY 12522
917.520.4122
TZAI.A.COM

MILK FACTORY
2860 Route 208, Town of Montgomery,
Orange County, New York 12586

**PHOTOGRAPHIC
DOCUMENTATION
BIRD'S EYE VIEWS**

B0



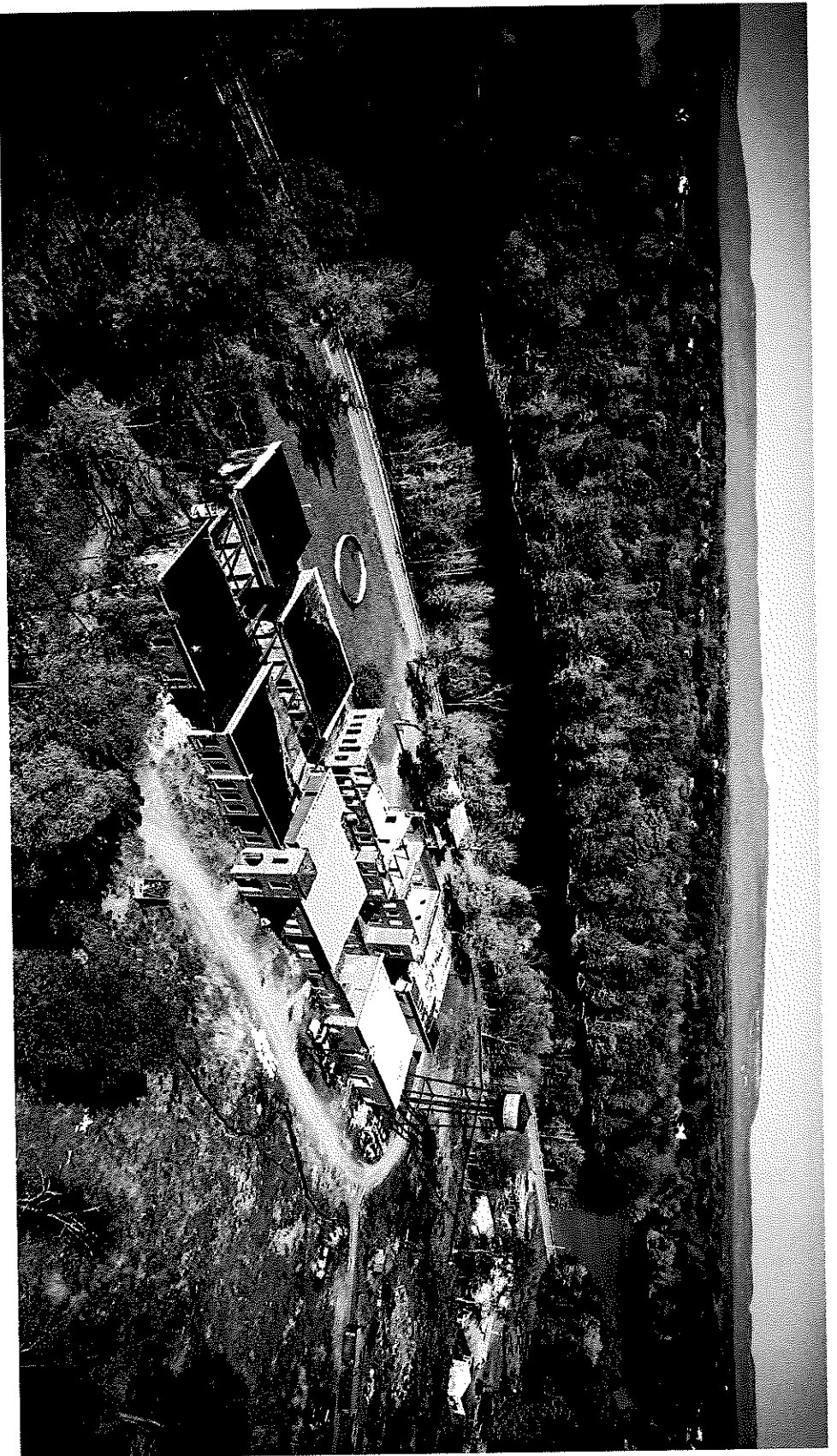
① BIRD'S EYE VIEW

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**PHOTOGRAPHIC
DOCUMENTATION
EXTERIOR VIEWS**

B1



① BIRD'S EYE VIEW

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PHOTOGRAPHIC
DOCUMENTATION
EXTERIOR VIEWS

B2



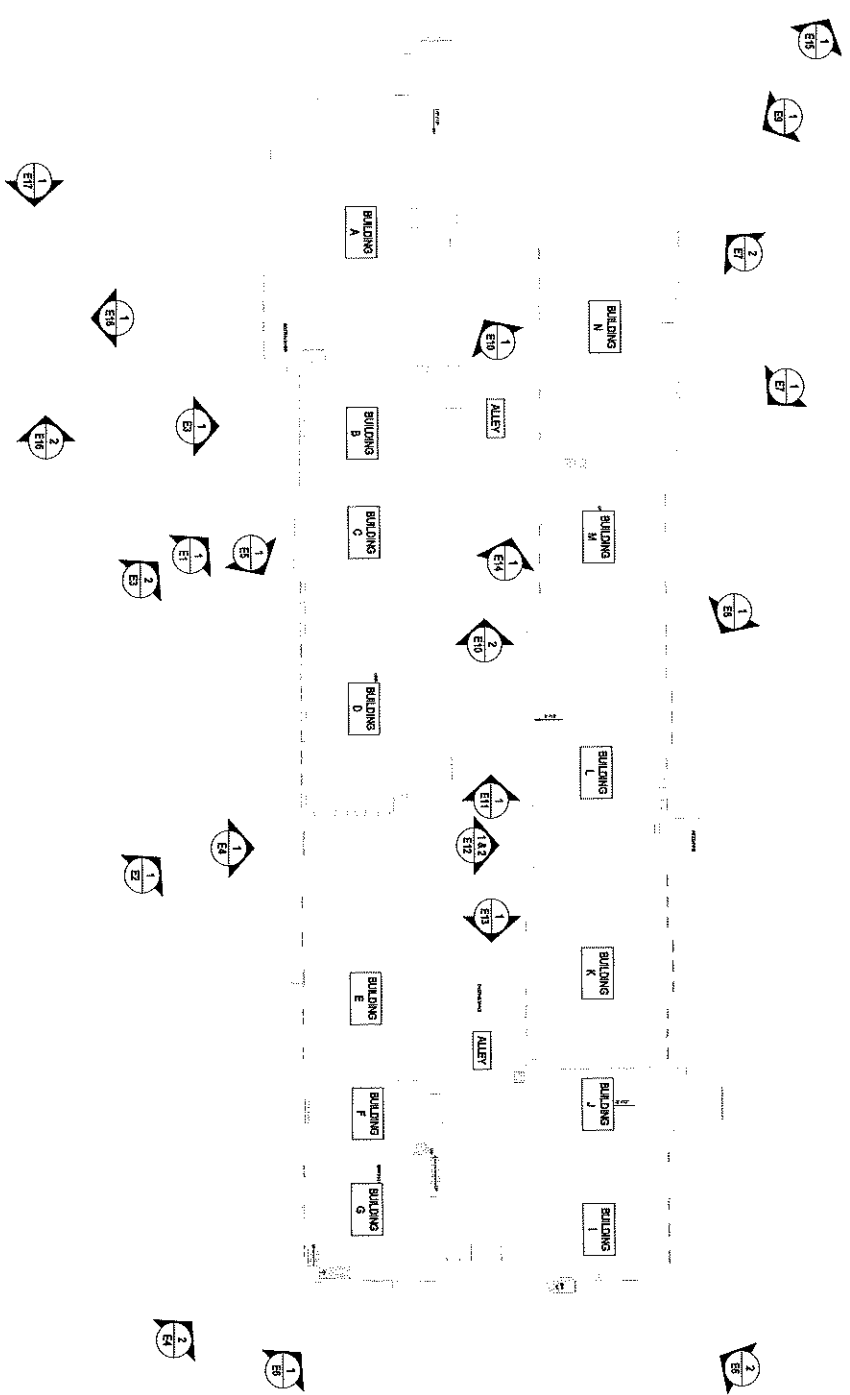
① BIRD'S EYE VIEW

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PHOTOGRAPHIC
DOCUMENTATION
EXTERIOR VIEWS

B3



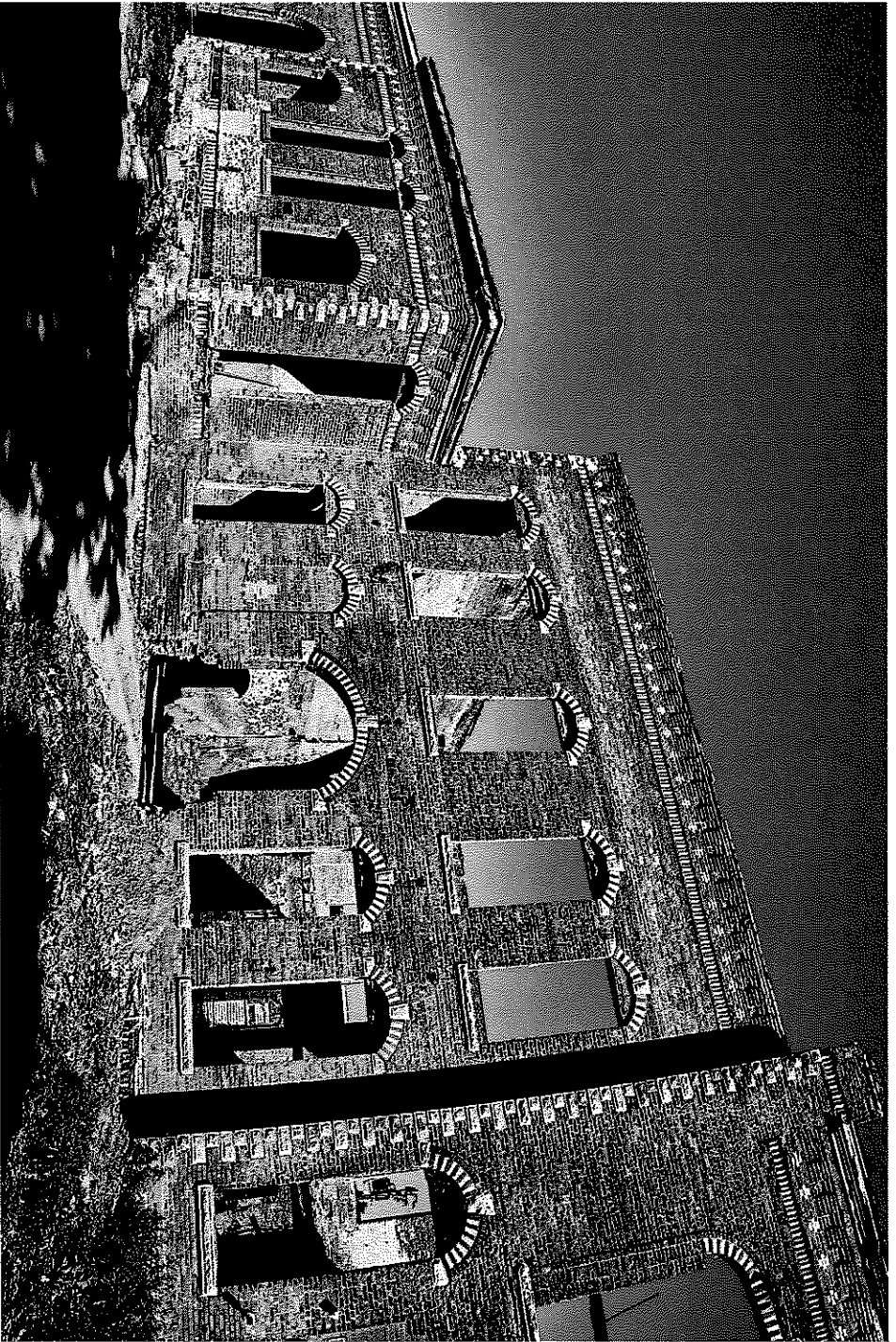
① KEY PLAN

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PHOTOGRAPHIC
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E0



① WEST FACADE: BUILDING A, B & C

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PHOTOGRAPHIC
DOCUMENTATION
EXTERIOR VIEWS

E1



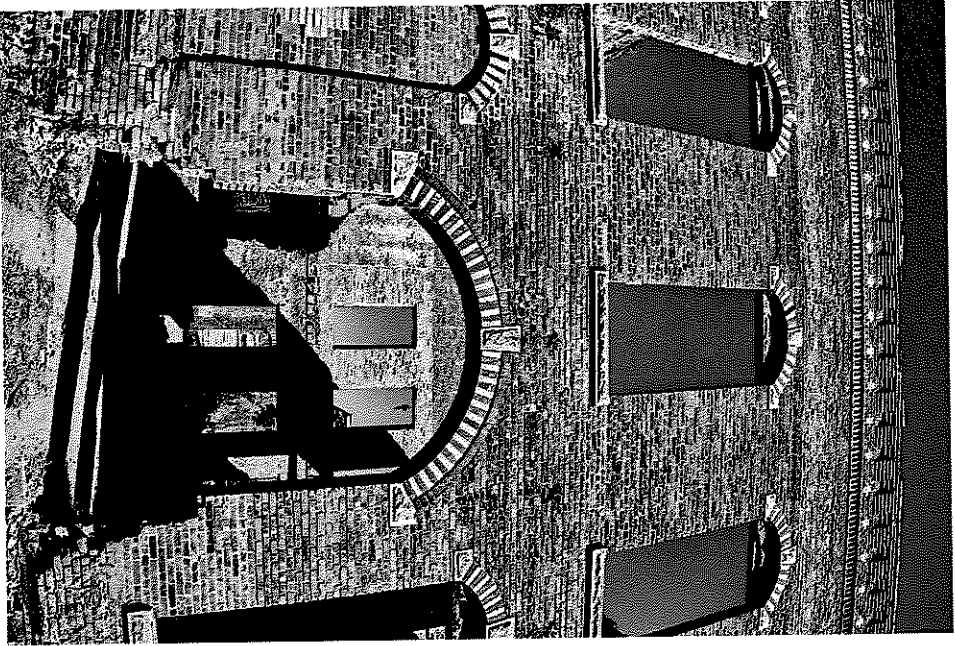
① WEST FACADE: BUILDING C & D

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PHOTOGRAPHIC
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EXTERIOR VIEWS

E2



① WEST FACADE: BUILDING B MAIN ENTRANCE



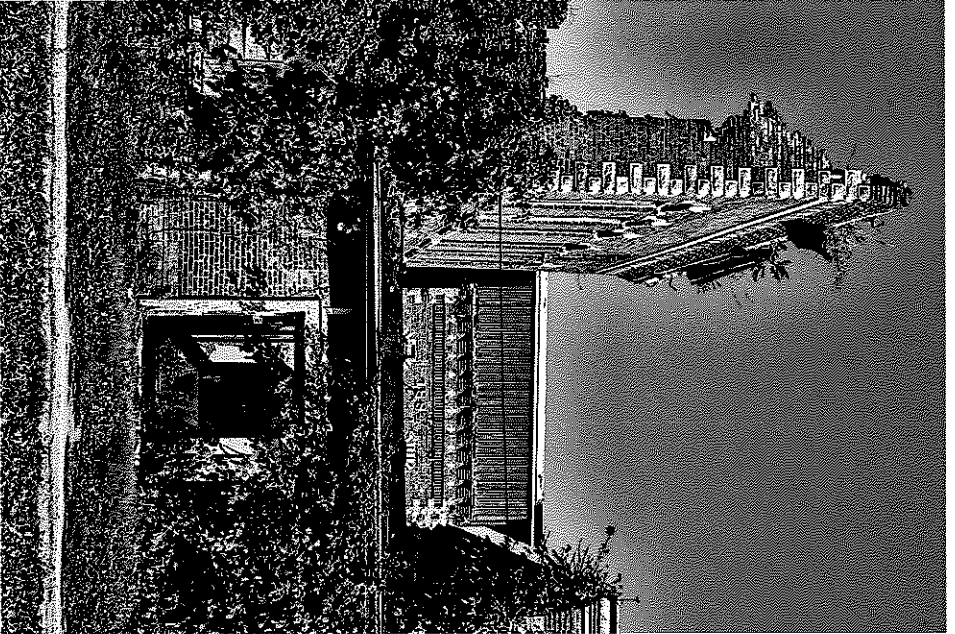
② WEST FACADE: BUILDING B & C

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 EXTERIOR VIEWS

E3



① WEST FACADE: BUILDING D WITH BUILDING L BEYOND

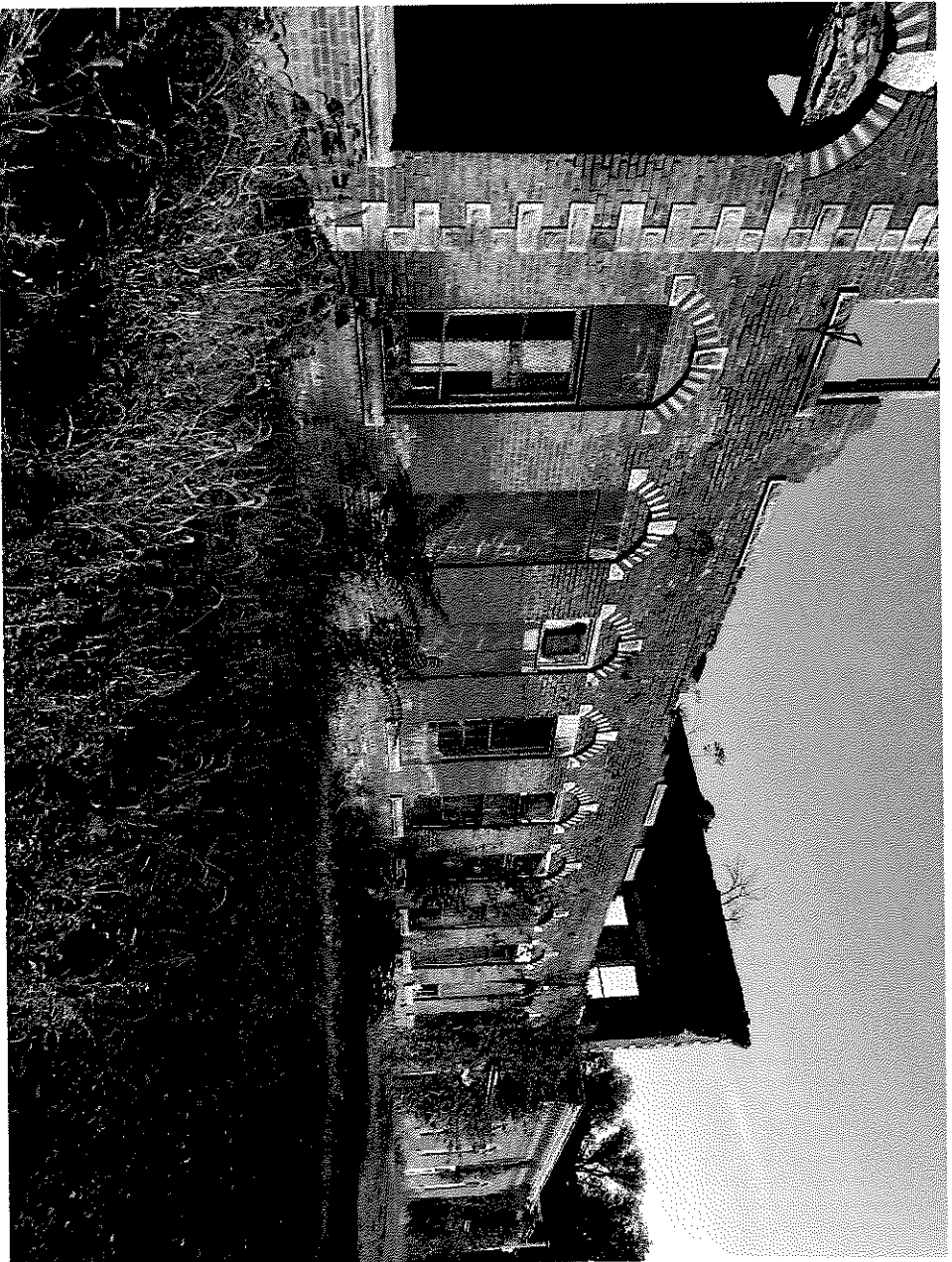
② WEST FACADE: BUILDING G

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① WEST FACADE: BUILDING D & E

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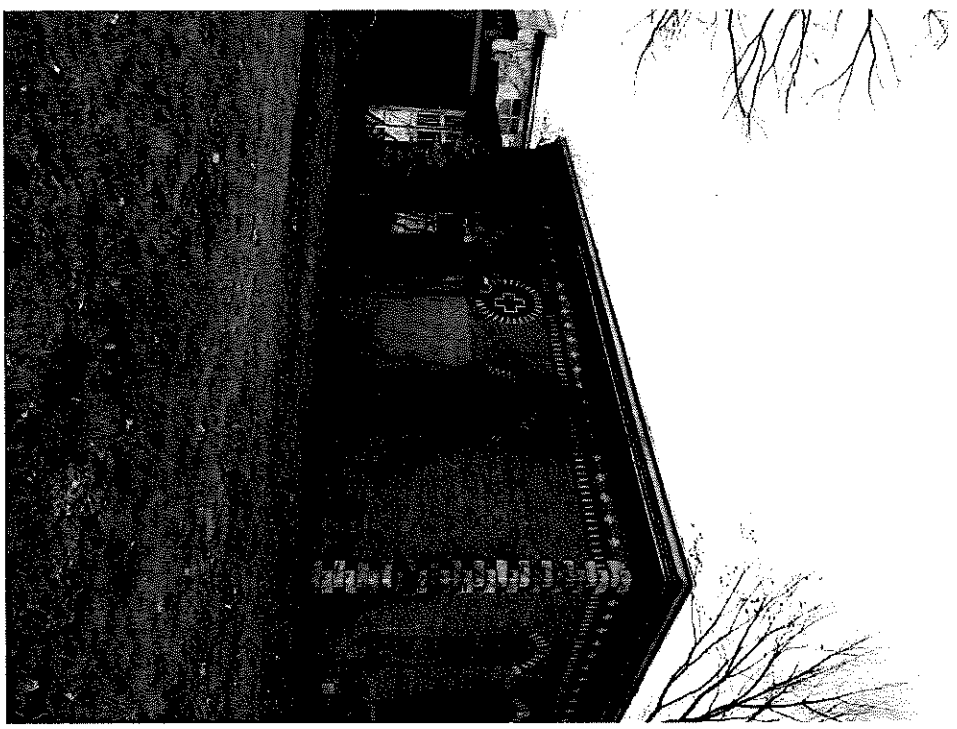
MILK FACTORY
2860 Route 208, Town of Montgomery,
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PHOTOGRAPHIC
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EXTERIOR VIEWS

E5



① SOUTH FACADE - BUILDING G



② SOUTH FACADE: BUILDING I

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PHOTOGRAPHIC
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 EXTERIOR VIEWS

E6



① EAST FACADE - BUILDING L



② EAST FACADE: BUILDING N & WATER TOWER

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E7



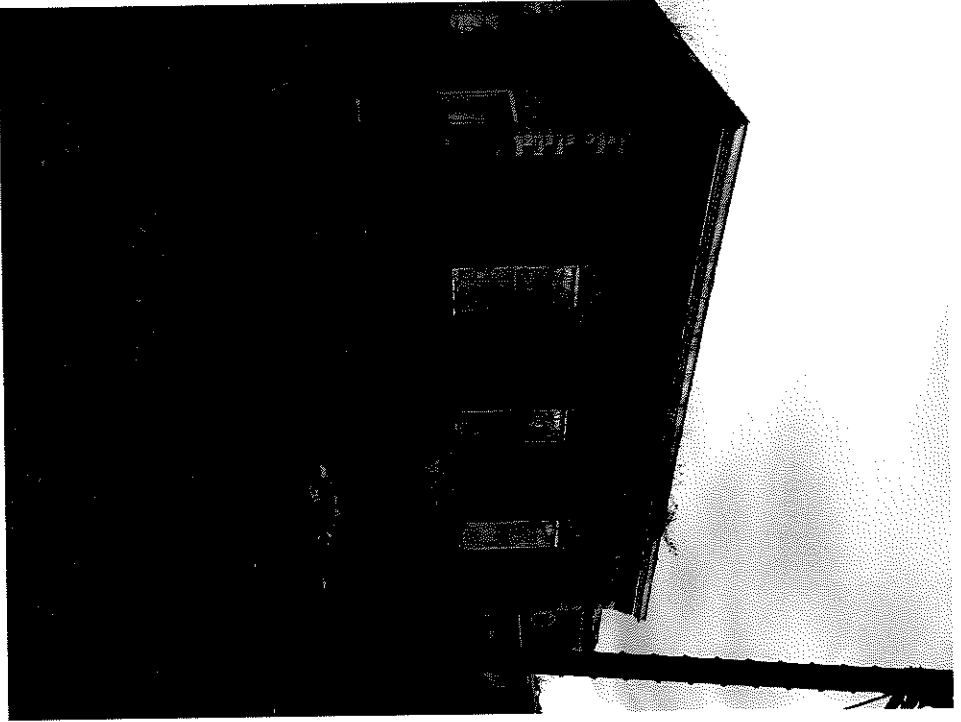
① EAST FACADE: BUILDING L

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① NORTH FACADE: BUILDING N

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E9



① BUILDING A: EAST FACADE AT ALLEY



② ALLEY: BUILDING B ON LEFT

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EXTERIOR VIEWS

E10



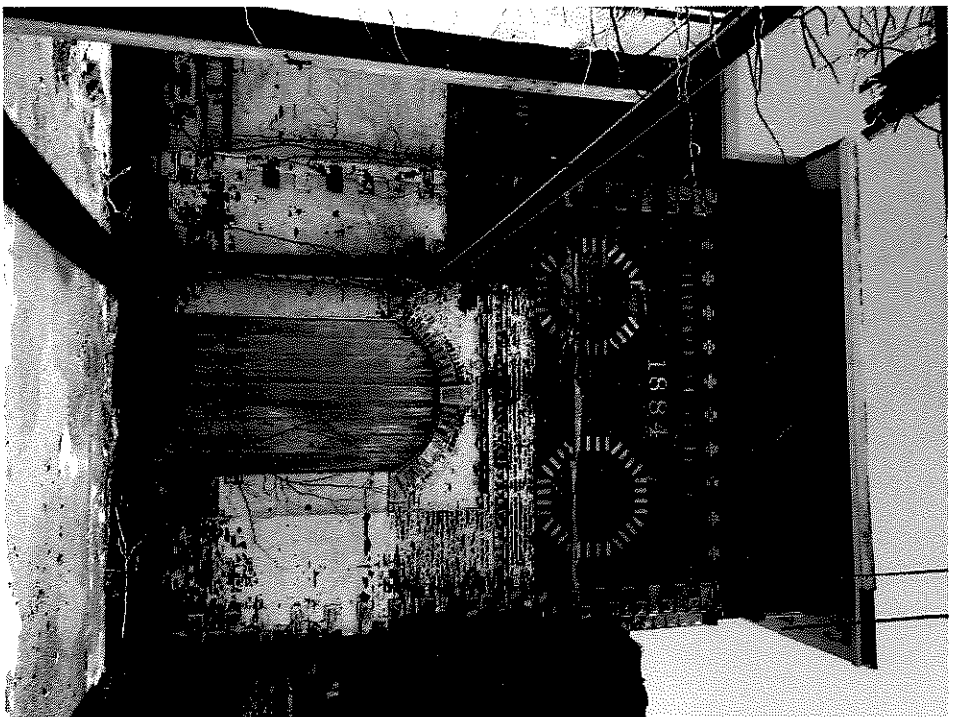
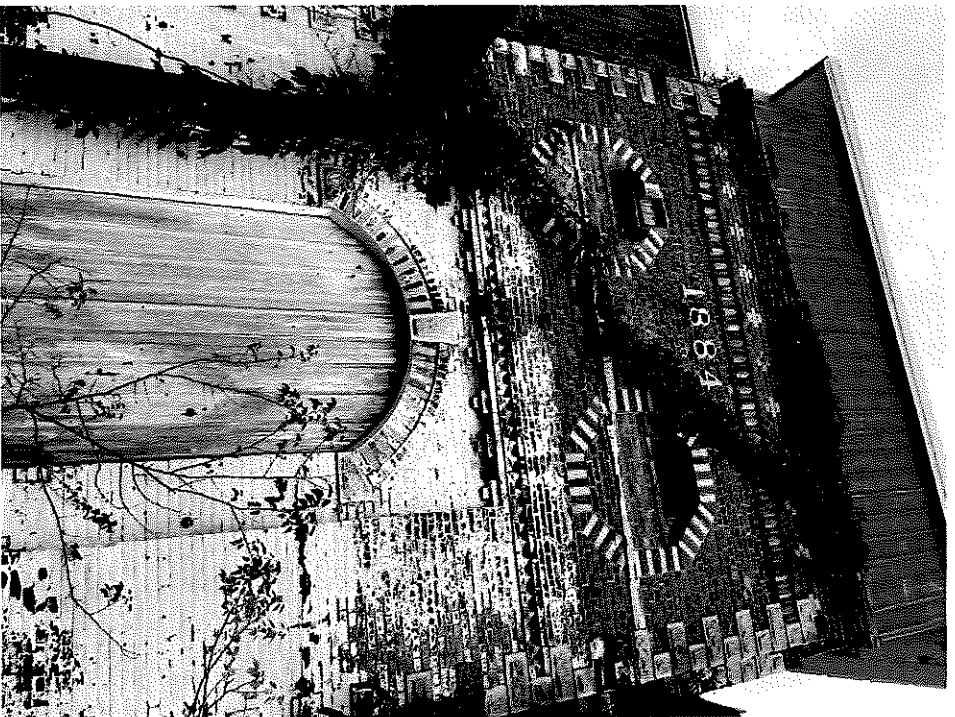
① ALLEY

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E11



① ALLEY: BUILDING L

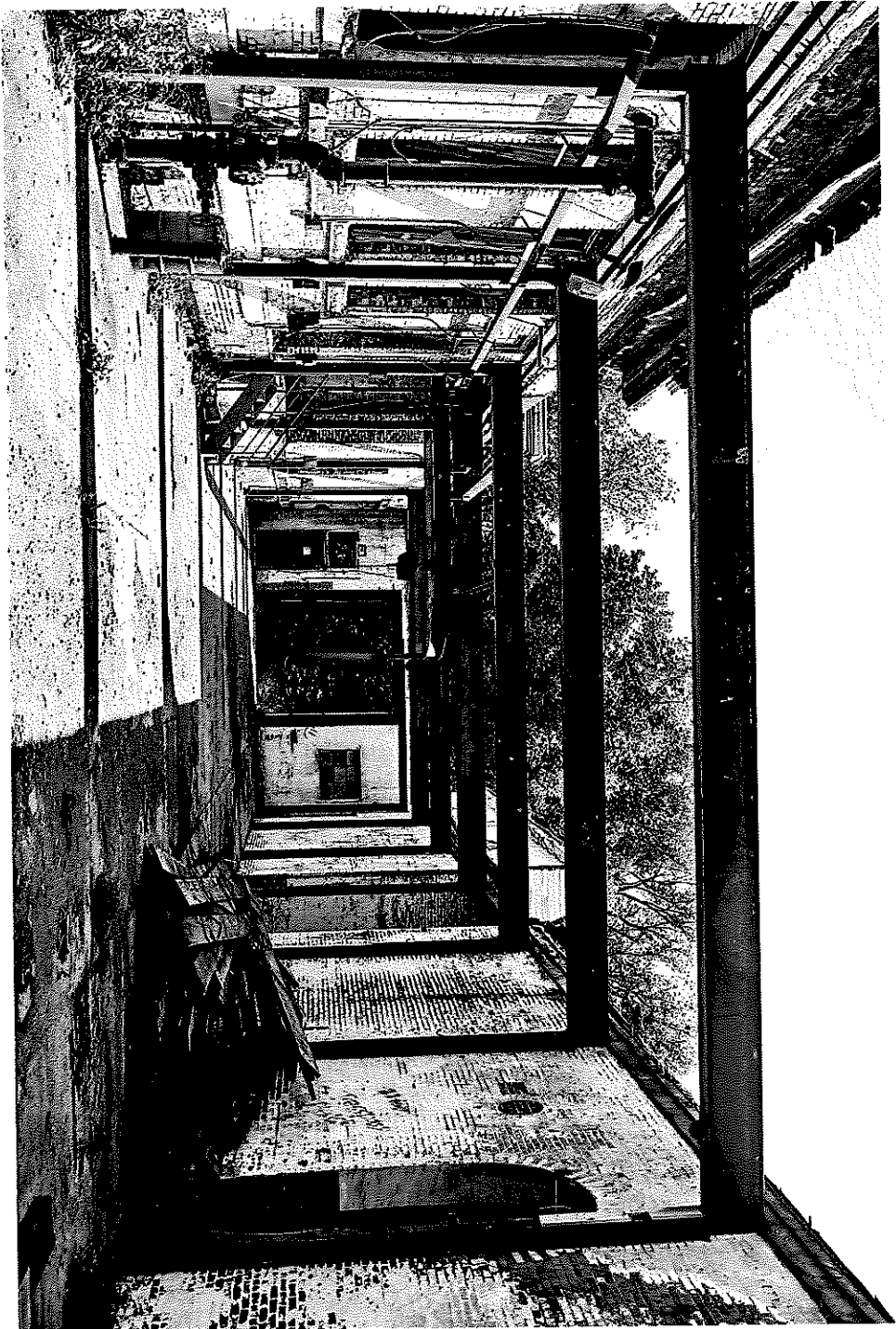
② ALLEY: BUILDING L

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① ALLEY

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PHOTOGRAPHIC
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EXTERIOR VIEWS

E13



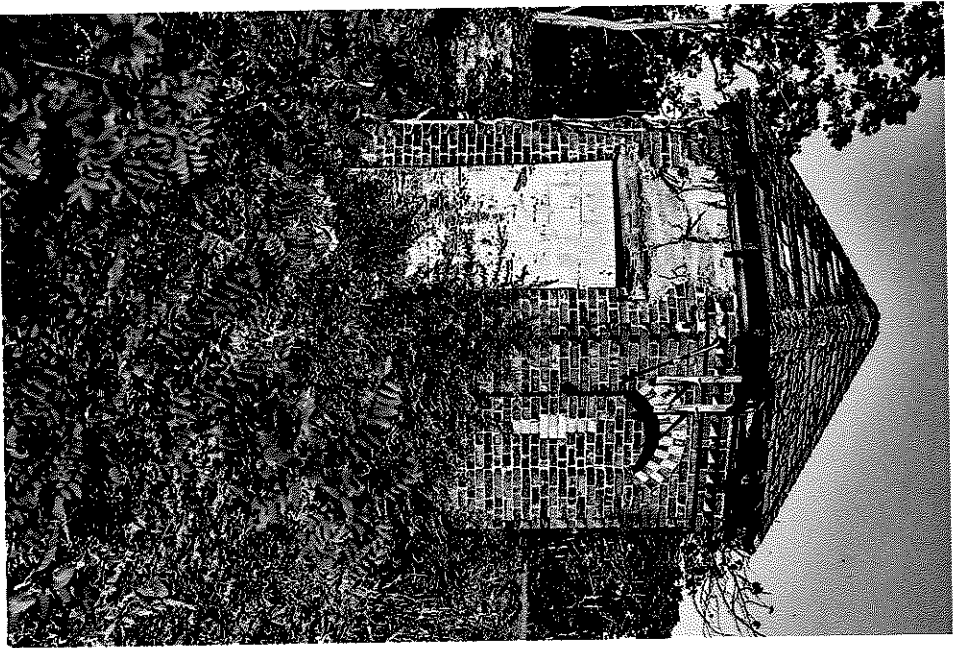
① ALLEY WITH WATER TOWER BEYOND

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PHOTOGRAPHIC
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EXTERIOR VIEWS

E14



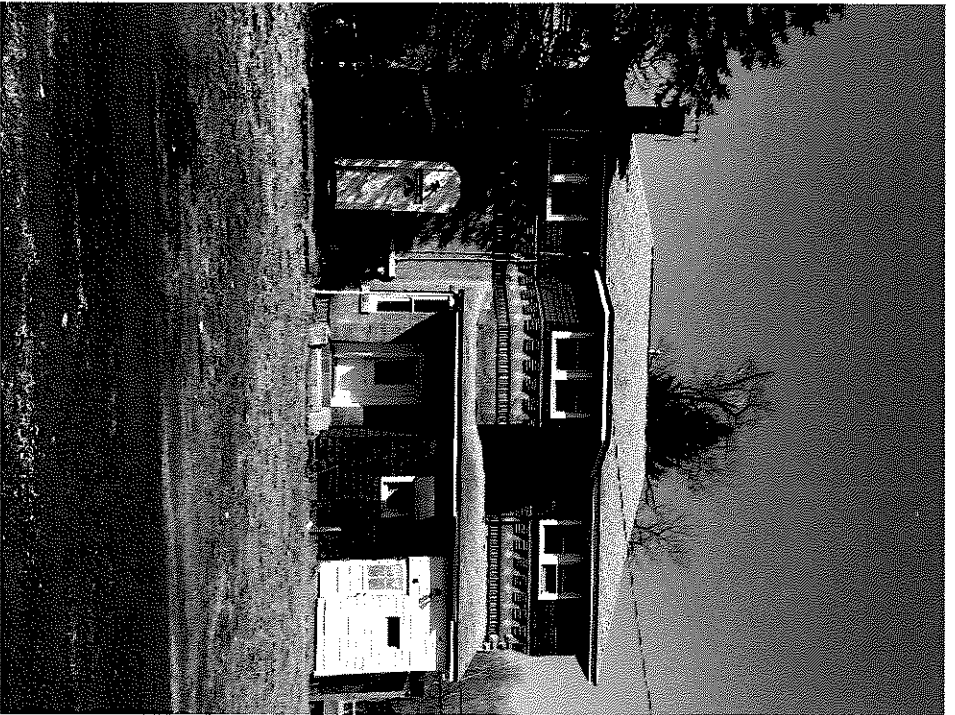
① EXIST. STONE BUILDING: FUTURE BIKE VALET

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PHOTOGRAPHIC
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EXTERIOR VIEWS

E15



① BUILDING O - EAST FACADE



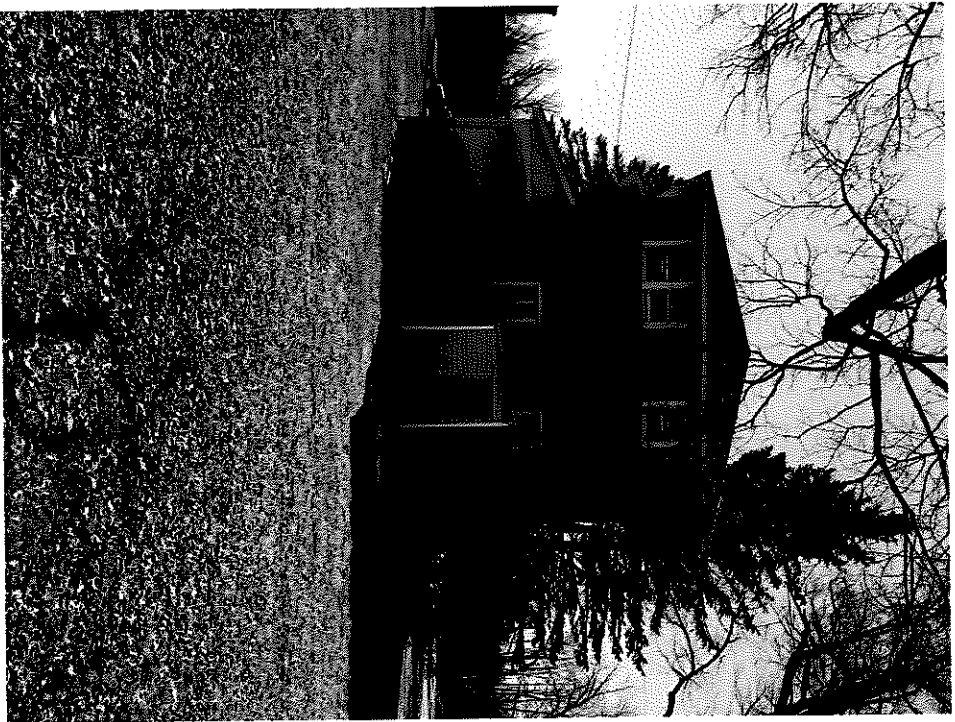
② BUILDING O - SOUTH FACADE

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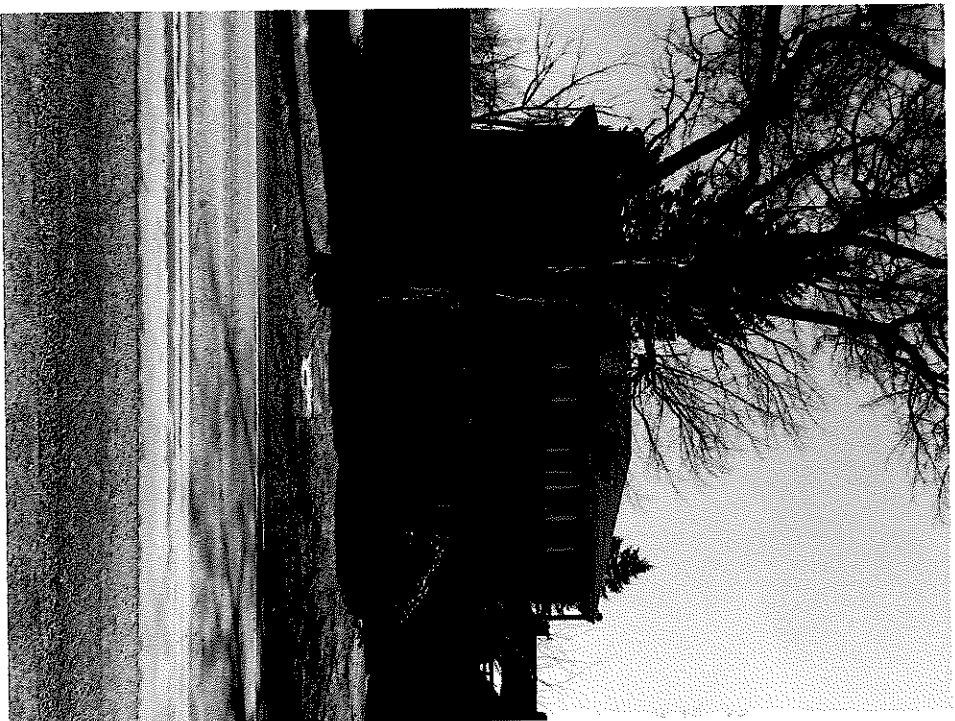
MILK FACTORY
 2860 Route 208, Town of Montgomery,
 Orange County, New York 12586

PHOTOGRAPHIC
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 EXTERIOR VIEWS

E16



① BUILDING O - NORTH FACADE



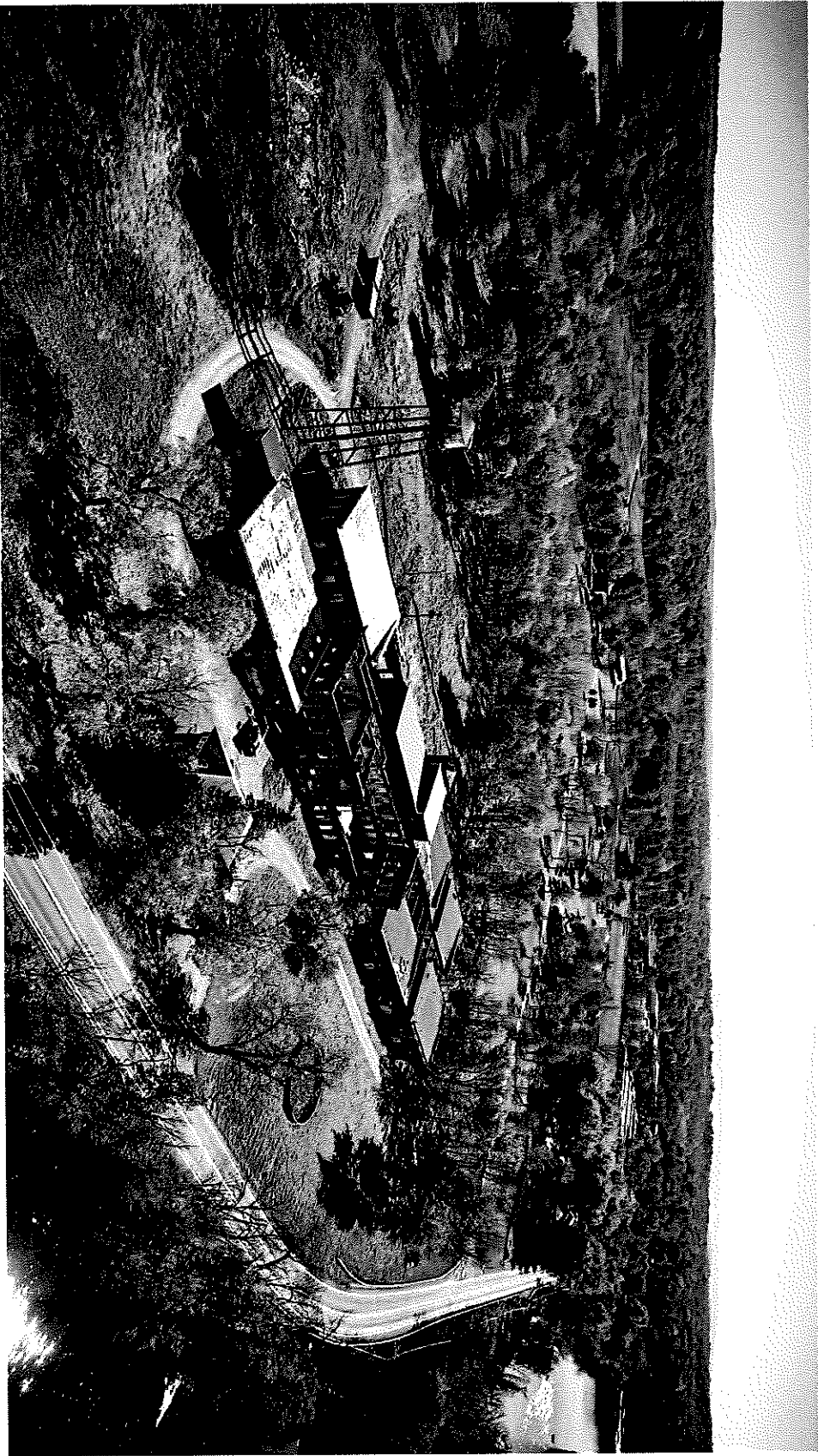
② BUILDING O - WEST FACADE

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E17



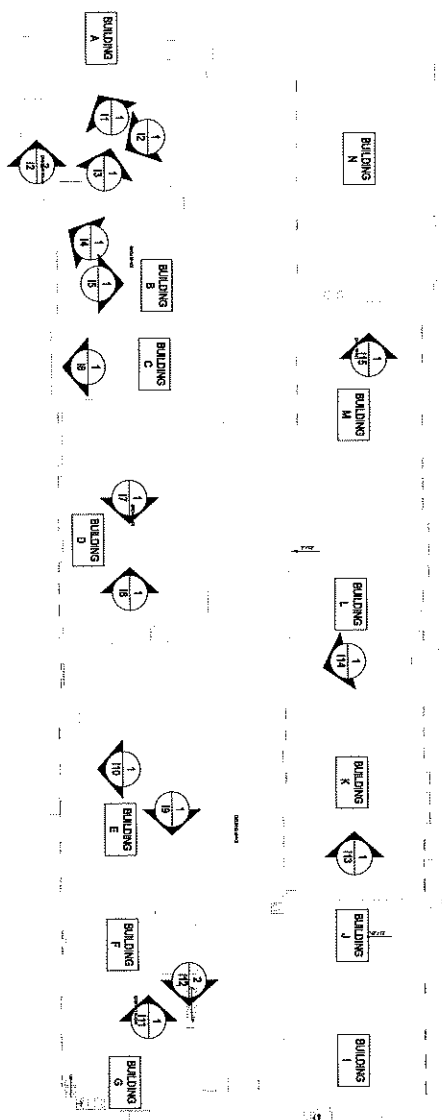
① BIRD'S EYE VIEW

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Orange County, New York 12586

PHOTOGRAPHIC
DOCUMENTATION
EXTERIOR VIEWS

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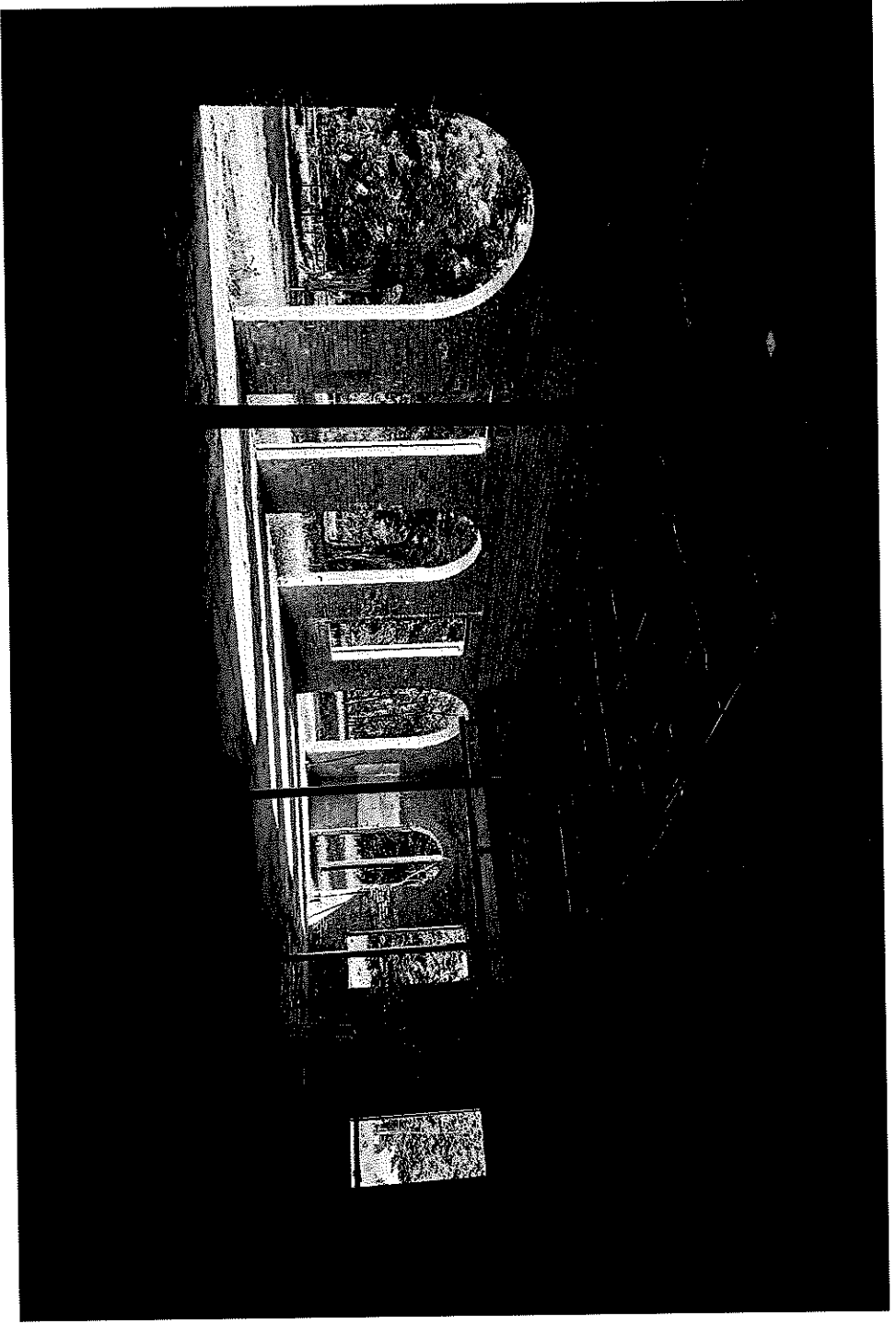


① KEY PLAN

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 INTERIOR VIEWS



① BUILDING A

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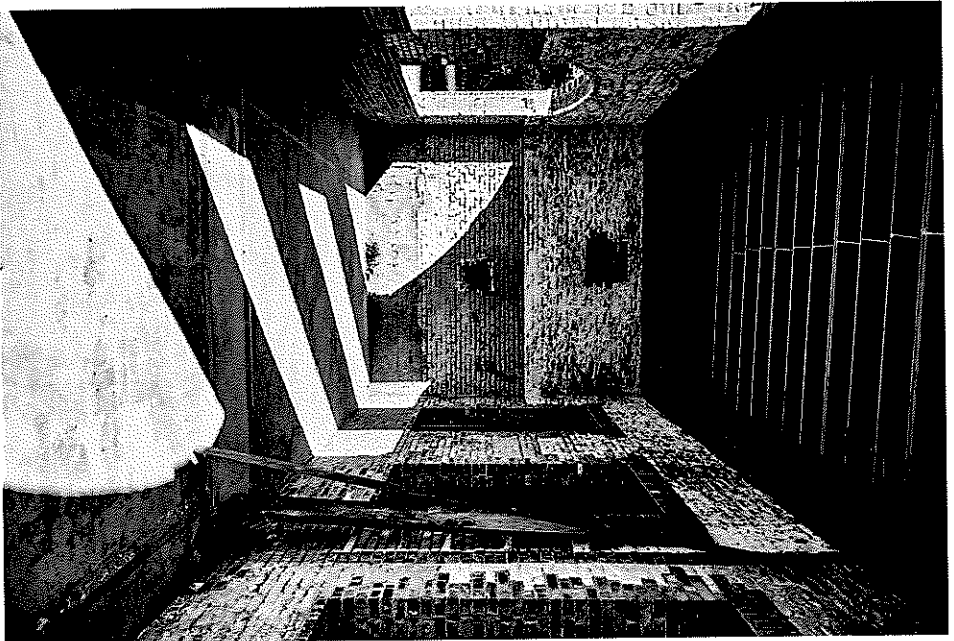
MILK FACTORY
2860 Route 208, Town of Montgomery,
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PHOTOGRAPHIC
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INTERIOR VIEWS

I1



① BUILDING A



② BUILDING A

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PHOTOGRAPHIC
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① BUILDING A

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INTERIOR VIEWS



① BUILDING B

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① BUILDING B

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PHOTOGRAPHIC
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INTERIOR VIEWS

15

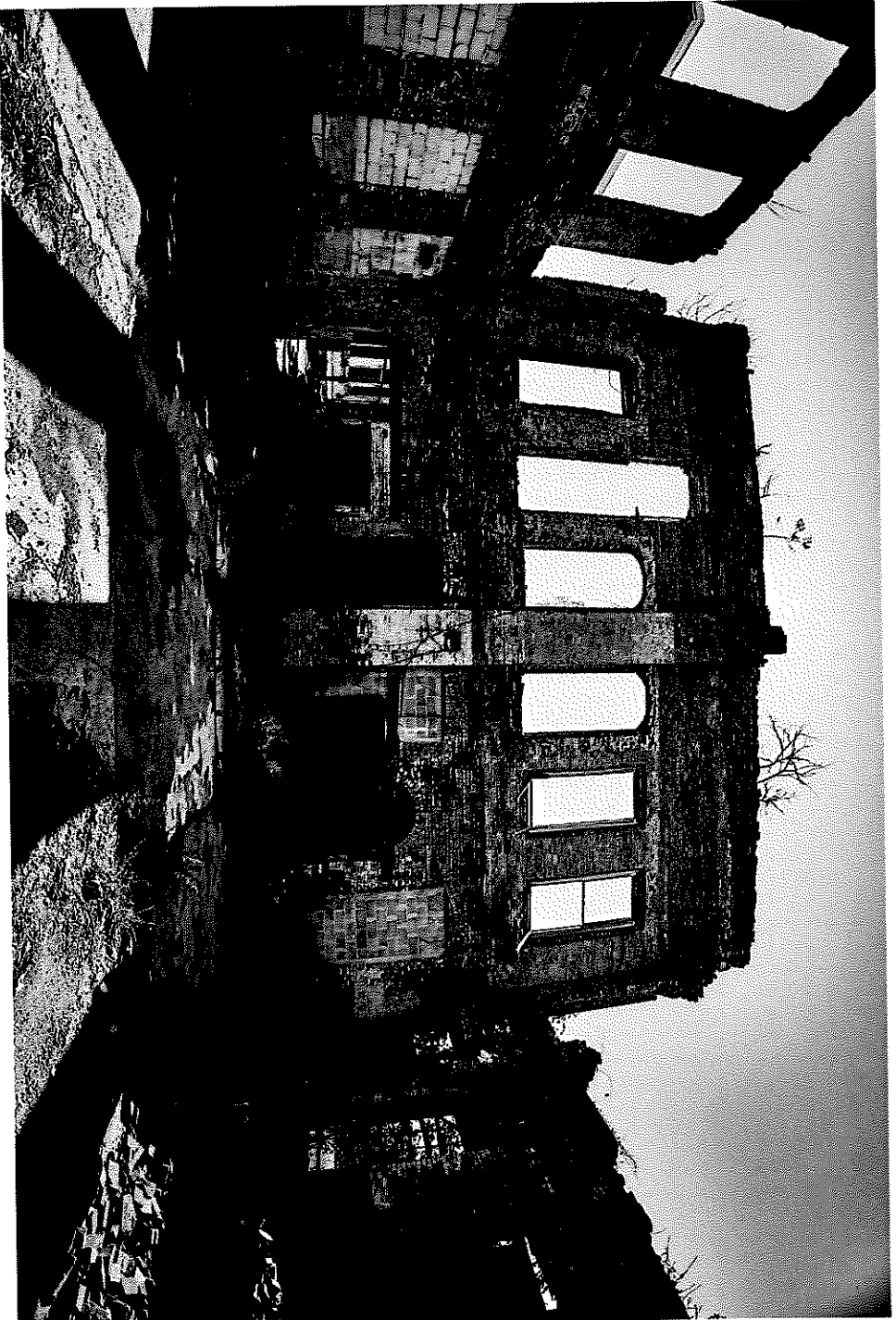


① BUILDING C

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DOCUMENTATION
INTERIOR VIEWS



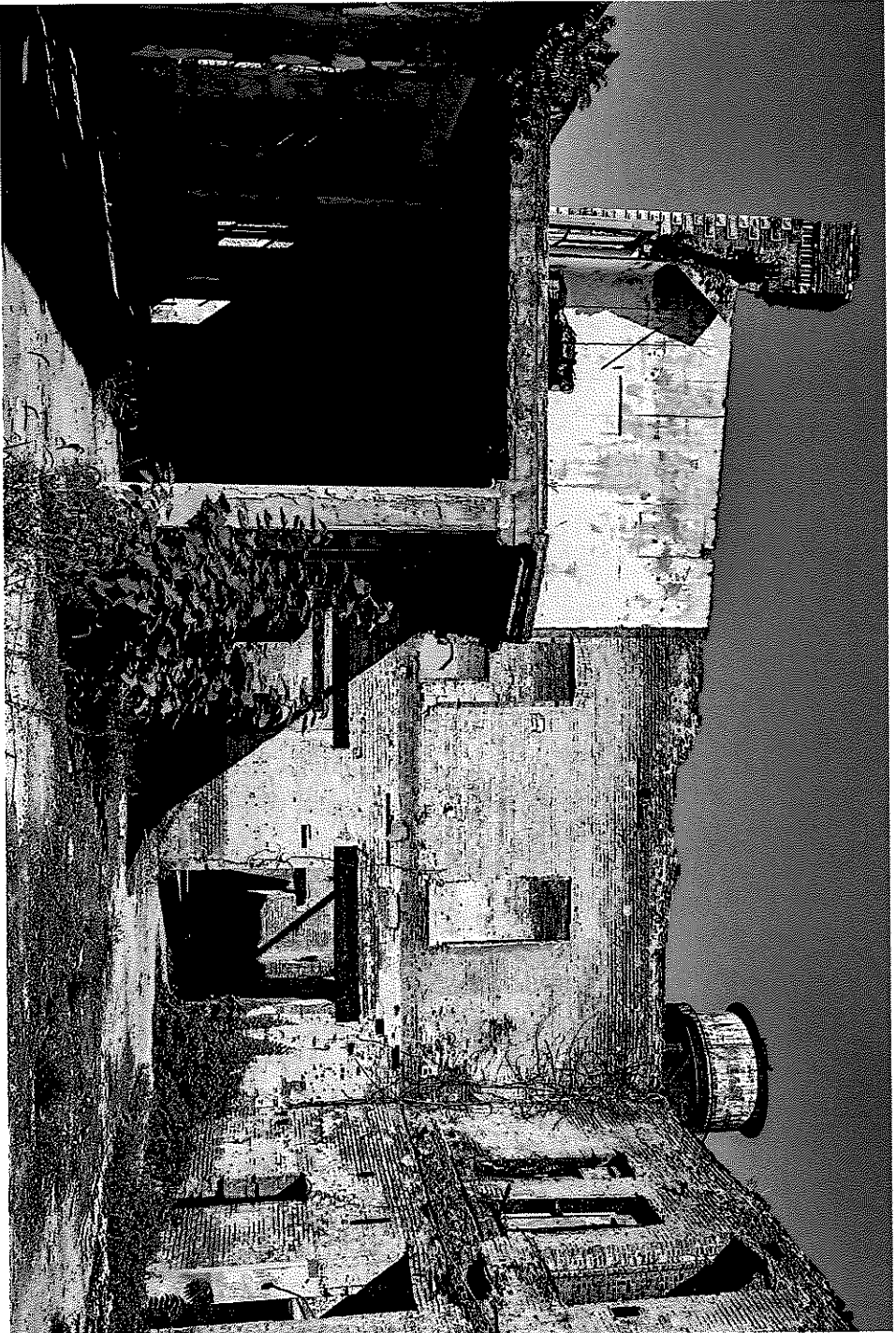
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**PHOTOGRAPHIC
DOCUMENTATION
INTERIOR VIEWS**

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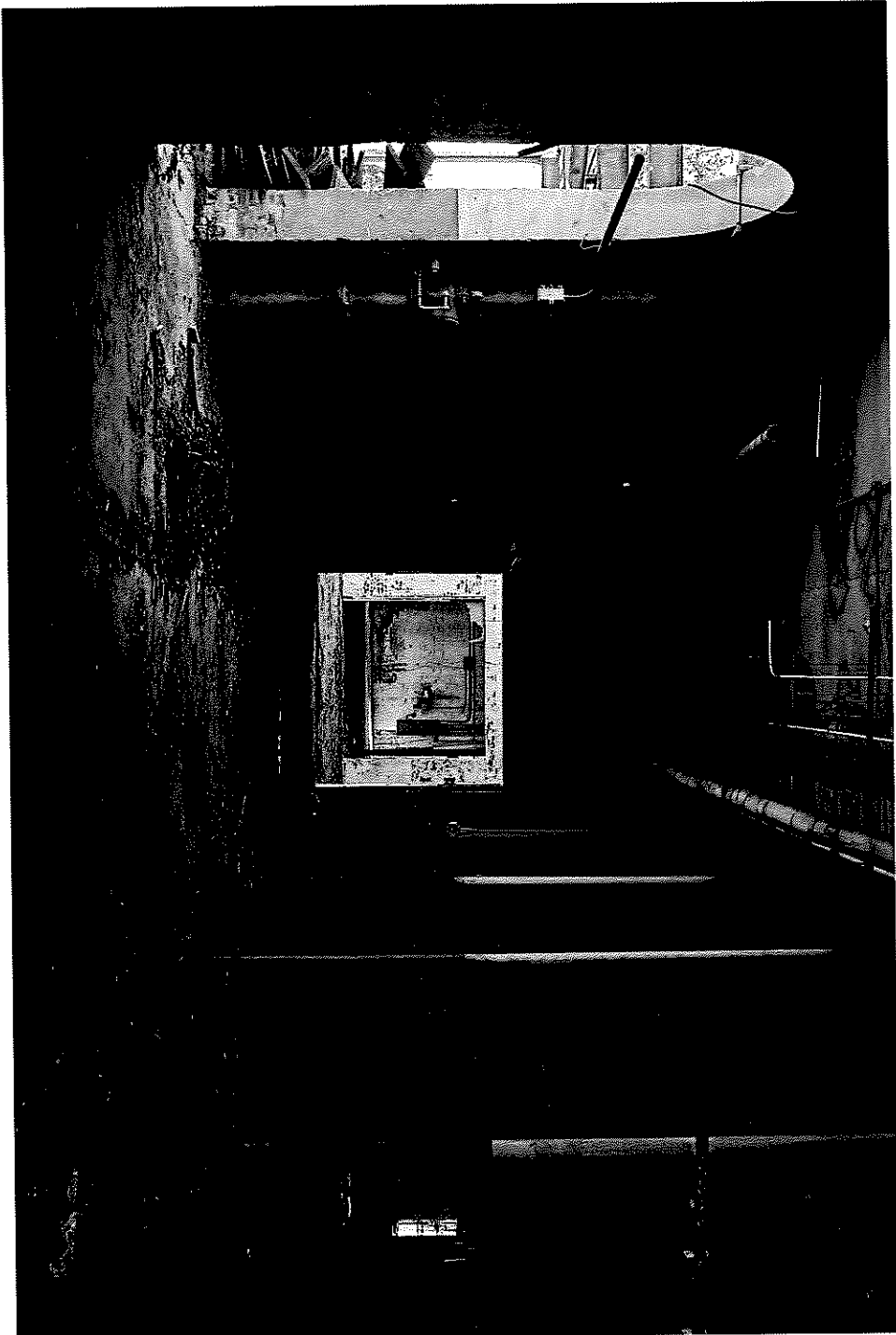


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① BUILDING E

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PHOTOGRAPHIC
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INTERIOR VIEWS

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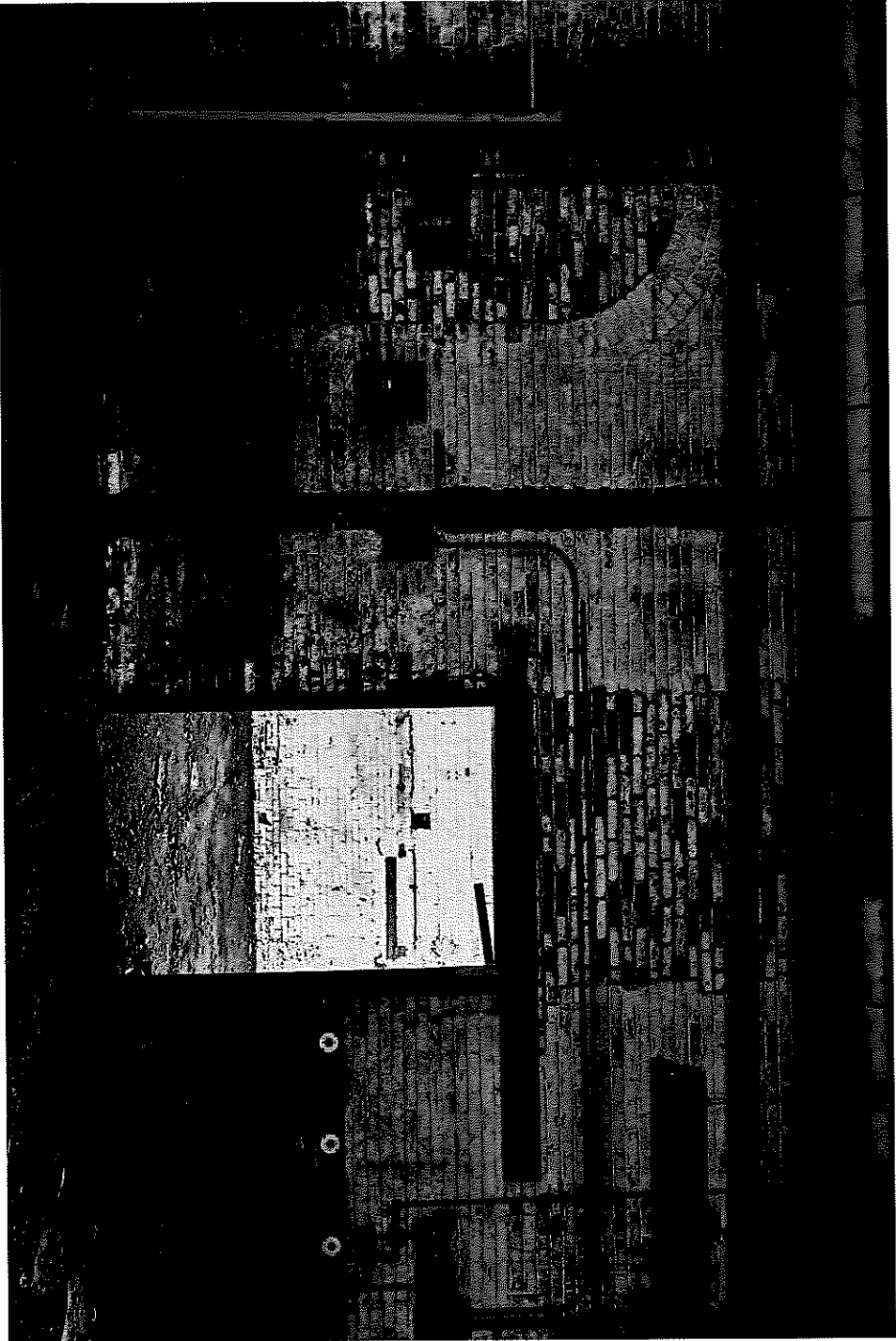
① BUILDING E

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**PHOTOGRAPHIC
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INTERIOR VIEWS**

I10



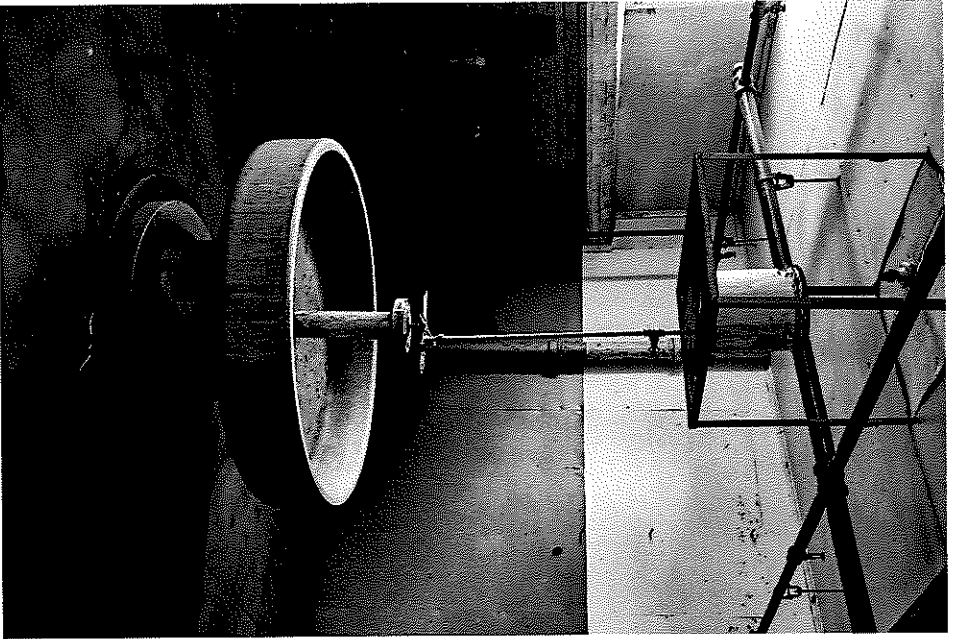
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TODD ZWIGARD ARCHITECTS
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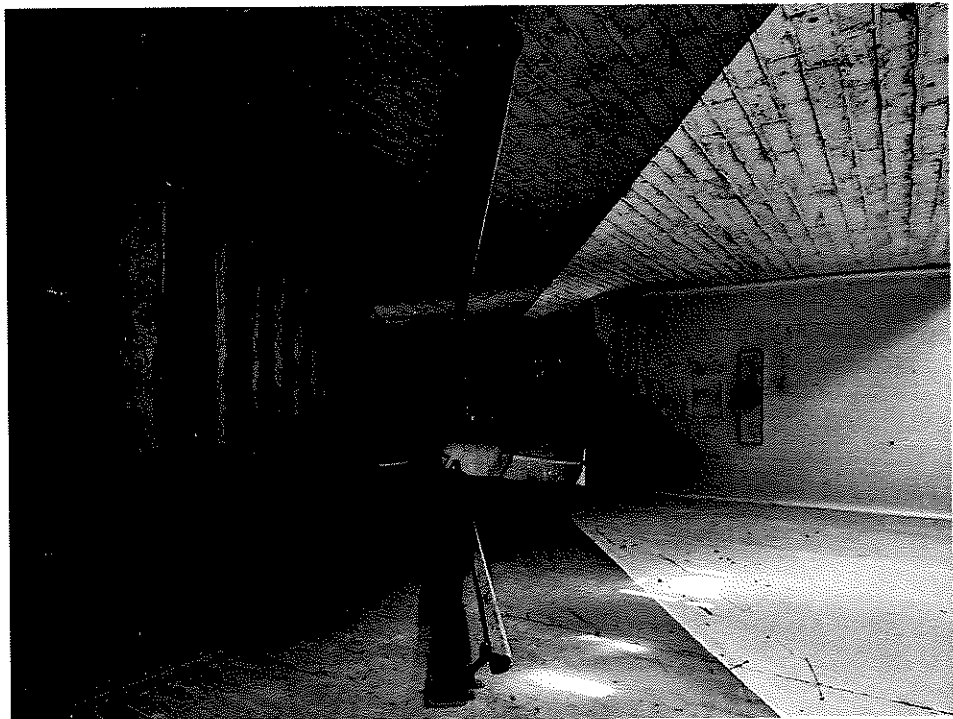
MILK FACTORY
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PHOTOGRAPHIC
DOCUMENTATION
INTERIOR VIEWS

I11



13



① BUILDING G: UPPER LEVEL

② BUILDING G: UPPER LEVEL

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**PHOTOGRAPHIC
DOCUMENTATION
INTERIOR VIEWS**

I12



① BUILDING K & L

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INTERIOR VIEWS

I13



① BUILDING L: UPPER LEVEL

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① BUILDING M

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INTERIOR VIEWS

I15

IDA Upfront Costs

Application Fee	\$500
Escrow Fee	\$15,000
Attorney Closing Fees	\$7,500
Initial agency fee (3/4 of 1% of first \$2m of total project cost)	\$15,000
Closing of project fee (1/2 of 1% of remaining total project cost)	\$250,000
Labor monitoring agency (\$600/month x24)	\$14,400
Total Costs	\$302,400

Mortgage recording tax (1.05%)	\$345,000
Sales tax exemption (8.13%)	\$2,032,500
Adaptive Reuse PILOT (15 yr)	\$10,651,205
Total Savings	\$13,038,705

PILOT Schedule

Current Year	Year 1 (100%)
	\$7,375
	\$13,087
	\$70,717
	\$130,648
	\$252,634
	\$318,566
	\$387,036
	\$521,456
	\$596,491
	\$658,987
	\$755,023
	\$838,685
	\$925,390
	\$1,015,229
	\$1,181,049
	\$1,353,095
	\$1,531,551
	\$16 (0%)
Total Property Tax paid over 15 years	\$9,018,092

Notes

Paid	
\$5k paid previously	
Paid upon finalization of agreement	
Paid upon finalization of agreement	
Paid upon finalization of agreement	
Begins during construction period	

Based on mortgage of \$23m	
Based on \$25m of material related costs	
Property taxes without 15 yr PILOT	\$19,679,297

Appraised value is based on whatever portion of project is complete by March 1st of each year

\$50m Appraised value)	
Orange County Property Tax 2.35%	

Current tax rates as of 6/5/2024	
WALLKILL SCHOOL	41.8%
COUNTY	5.5%
TOWN	1.4%
T-HWY	2.6%
P/TOWN	2.3%
WLDN FIRE FD042	1.7%
AMBULANCE AM009	0.5%
Total combined tax rate	55.8%

Milk Factory - Budget

Development Budget Summary

		Estimated	Total Contracted	Paid to Date	Remaining Contract Balance
1	Land Cost	\$575,000.00	\$575,000.00	\$575,000.00	\$0.00
2	Soft Costs	\$1,264,700.00	\$846,116.85	\$592,916.96	\$253,199.89
3	Hard Construction Costs	\$31,331,721.00	\$854,847.58	\$845,847.58	\$9,000.00
4	FFE Costs	\$6,780,000.00			
5	Contingency (10% Total Project Cost)	\$3,937,642.10			
6	CM Fee (3% Hard Construction Cost)	\$939,951.63			
7	Development Fee (2% Total Project Cost)	\$877,781.26			
8	IDA Costs	\$302,400.00			
9	Hotel Technical & Pre-Opening Services	\$300,000.00			
10	Financing Fees (2% Total Debt & Equity)	\$926,183.92			
11	Interest Reserves, Insurance & Taxes (8% Total Project Cost)	\$3,869,558.00			
	Total Project Costs	\$61,104,937.91	\$2,276,964.43	\$2,013,764.54	\$262,199.89

		Estimated	Total Contracted	Paid to Date	Remaining Contract Balance
12	Architectural Design (TZA)	\$200,000.00	\$175,000.00	\$125,937.50	\$49,062.50
13	Civil Engineering (MNTM)	\$110,000.00	\$110,000.00	\$101,038.20	\$8,961.80
14	MEP Engineering (Fellenzer)	\$170,000.00	\$150,000.00	\$62,996.81	\$87,003.19
15	Structural Engineering (McLaren)	\$250,000.00	\$234,500.00	\$138,718.60	\$95,781.40
16	Kitchen Design Consultant (CD)	\$15,000.00	\$10,000.00	\$5,000.00	\$5,000.00
17	Interior Design Consultant (DDAY)	\$50,000.00	\$2,400.00	\$2,400.00	\$0.00
18	Hotel Consultant	\$60,000.00			
19	CM Pre-Construction Fees	\$75,000.00			
20	Spa Consultant	\$15,000.00	\$3,200.00	\$3,200.00	\$0.00
21	Environmental Testing (PVE)	\$50,000.00	\$39,593.85	\$39,593.85	\$0.00
22	Archeological Study (Tracker)	\$5,200.00	\$5,200.00	\$5,200.00	\$0.00
23	Traffic Study (Sampe)	\$4,500.00	\$4,500.00	\$2,400.00	\$2,100.00
24	Renderings (Neezo)	\$15,000.00	\$6,000.00	\$3,000.00	\$3,000.00
25	Photo/Video	\$10,000.00	\$4,000.00	\$4,000.00	\$0.00
26	Planning Board/IDA/Grant App. Fees	\$50,000.00	\$61,360.00	\$61,360.00	\$0.00
27	Permit Fees	\$50,000.00			
28	Legal Fees	\$50,000.00	\$25,363.00	\$23,072.00	\$2,291.00
29	Licensing Fees	\$25,000.00			
30	Insurance	\$60,000.00	\$15,000.00	\$15,000.00	\$0.00
	Total Soft Costs	\$1,264,700.00	\$846,116.85	\$592,916.96	\$253,199.89

		Estimated	Total Contracted	Paid to Date	Remaining Contract Balance
31	Site Requirements	\$750,000.00	\$502,092.69	\$502,092.69	\$0.00
32	General Conditions	\$1,400,000.00			
33	Insurance	\$800,000.00			
34	Substructure (Foundations, Slabs, Substructure Infrastructure)	\$1,250,000.00			
35	Shell (Superstructure, Exterior Vertical & Horizontal Enclosures)	\$6,000,000.00	\$266,106.00	\$266,106.00	\$0.00
36	Interiors (Construction & Finishes)	\$5,500,000.00			
37	Services (Conveying, Plumbing, HVAC, Fire, Electrical)	\$6,000,000.00			
38	Special Construction & Demolition	\$1,250,000.00			
39	Sitework (Site Prep, Improvements, Utilities)	\$5,250,000.00	\$77,648.89	\$77,648.89	\$0.00
40	Solar	\$2,131,721.00	\$9,000.00		
41	Storage/Winery Building & Outdoor Bathrooms	\$1,000,000.00			
	Total Hard Costs	\$31,331,721.00	\$854,847.58	\$845,847.58	\$0.00

		Estimated	Total Contracted	Paid to Date	Remaining Contract Balance
42	Gym & Spa	\$450,000.00			
43	Kitchens & Bar Equipment	\$1,000,000.00			
44	Light Fixtures	\$1,000,000.00			
45	Hotel Rooms & Suites	\$2,000,000.00			
46	Common Areas	\$500,000.00			
47	Restaurant & Bars	\$500,000.00			
48	Winery/Distillery	\$600,000.00			
49	AV	\$700,000.00			
50	Office	\$30,000.00			
	Total FFE Costs	\$6,780,000.00	\$0.00	\$0.00	\$0.00

Hotel & Suites combined

Operating Days	365	365	365	365	365	365	365	365	365	365	365	365	365
Available Rooms Hotel	25550	25550	25550	25550	25550	25550	25550	25550	25550	25550	25550	25550	25550
Occupied Rooms Hotel	13888	15122	16356	16811	16867	17122	17144	17155	17411	17411	17421	17421	17421
Key Count	70	70	70	70	70	70	70	70	70	70	70	70	70
Occupancy	54%	59%	64%	65%	66%	67%	67%	67%	67%	67%	68%	68%	68%
Occupancy Step	109%	108%	109%	102%	102%	102%	102%	100%	100%	100%	100%	100%	100%
Average Daily Rate (ADR)	\$653	\$684	\$716	\$752	\$789	\$812	\$838	\$855	\$872	\$882	\$882	\$882	\$882
ADR Growth %	105%	105%	105%	105%	105%	103%	103%	102%	102%	101%	101%	101%	101%
Revenue Per Available Room (RevPAR)	\$355	\$405	\$458	\$489	\$521	\$544	\$562	\$574	\$594	\$602	\$602	\$602	\$602

Hotel

Standard Room Key Count	67	67	67	67	67	67	67	67	67	67	67	67	67
Available Rooms Hotel	24455	24455	24455	24455	24455	24455	24455	24455	24455	24455	24455	24455	24455
Occupied Rooms Hotel	13450	14673	15896	16140	16385	16629	16829	16829	16874	16874	16874	16874	16874
Occupancy	55%	60%	65%	66%	67%	68%	68%	68%	69%	69%	69%	69%	69%
Average Daily Rate (ADR)	\$625	\$656	\$689	\$724	\$760	\$782	\$806	\$822	\$839	\$847	\$847	\$847	\$847
ADR Growth %	105%	105%	105%	105%	105%	103%	103%	102%	102%	102%	102%	102%	101%

Suites

3-Bedroom Key Count	3	3	3	3	3	3	3	3	3	3	3	3	3
Available Rooms Hotel	1095	1095	1095	1095	1095	1095	1095	1095	1095	1095	1095	1095	1095
Occupied Rooms Hotel	438	449	460	471	482	493	515	515	526	526	537	548	548
Occupancy	40%	41%	42%	43%	44%	45%	47%	47%	48%	48%	49%	50%	50%
Average Daily Rate (ADR)	\$1,500	\$1,575	\$1,654	\$1,720	\$1,771	\$1,825	\$1,861	\$1,898	\$1,936	\$1,936	\$1,936	\$1,936	\$1,975
Avg. 3-bed Suite ADR													
ADR Growth %	105%	105%	105%	104%	103%	103%	102%	102%	102%	102%	102%	102%	102%

Suites Total

Number of Keys	3	3	3	3	3	3	3	3	3	3	3	3	3
Available Rooms Hotel	1095	1095	1095	1095	1095	1095	1095	1095	1095	1095	1095	1095	1095
Occupied Rooms Hotel	438	449	460	471	482	493	515	515	526	526	537	548	548
Occupancy	40%	41%	42%	43%	44%	45%	47%	47%	48%	48%	49%	50%	50%
Average Daily Rate (ADR)	\$1,500	\$1,575	\$1,654	\$1,720	\$1,771	\$1,825	\$1,861	\$1,898	\$1,936	\$1,936	\$1,936	\$1,936	\$1,975
ADR Growth %	105%	105%	105%	104%	103%	103%	102%	102%	102%	102%	102%	102%	102%

Departmental Revenues

Rooms Revenue	\$9,063,406	\$10,336,253	\$11,713,725	\$12,487,574	\$13,300,937	\$13,911,301	\$14,560,408	\$14,668,403	\$15,188,033	\$15,971,930	\$16,290,589	\$16,290,589	\$16,290,589
Standard Rooms	\$8,406,406	\$9,629,156	\$10,933,165	\$11,677,759	\$12,447,430	\$13,012,209	\$13,402,575	\$13,670,626	\$14,149,098	\$14,149,098	\$14,038,935	\$14,038,935	\$14,038,935
3-Bedroom Suite	\$657,000	\$707,096	\$780,560	\$809,815	\$853,507	\$899,092	\$957,833	\$997,777	\$1,038,935	\$1,038,935	\$1,038,935	\$1,038,935	\$1,038,935
Spa Revenue	\$1,785,491	\$1,994,897	\$2,260,749	\$2,410,102	\$2,567,081	\$2,684,881	\$2,774,559	\$2,881,002	\$2,931,290	\$2,931,290	\$2,966,782	\$2,966,782	\$2,966,782
Merchandise, Other (\$50 av. Per room)	\$694,413	\$782,561	\$846,405	\$859,627	\$872,849	\$886,071	\$887,205	\$887,771	\$900,993	\$900,993	\$901,560	\$901,560	\$901,560
Total Departmental Revenue	\$11,543,210	\$13,113,710	\$14,820,879	\$15,757,203	\$16,740,867	\$17,482,293	\$18,019,171	\$18,387,476	\$19,020,317	\$19,240,272	\$19,240,272	\$19,240,272	\$19,240,272

Departmental Expenses

Rooms Expense	\$2,175,218	\$2,377,338	\$2,577,019	\$2,622,391	\$2,793,197	\$2,782,260	\$2,872,082	\$2,933,681	\$3,037,607	\$3,074,386	\$3,074,386	\$3,074,386	\$3,074,386
Spa Expense	\$1,606,942	\$1,795,407	\$2,034,674	\$2,169,092	\$2,310,373	\$2,416,393	\$2,494,403	\$2,547,902	\$2,658,161	\$2,658,161	\$2,658,161	\$2,658,161	\$2,658,161

Merchandise, Other	\$347,208	\$391,280	\$423,202	\$429,814	\$436,425	\$443,036	\$443,602	\$443,886	\$450,497	\$450,780
Total Departmental Expenses	\$4,129,366	\$4,564,026	\$5,034,896	\$5,221,236	\$5,339,994	\$5,641,889	\$5,810,087	\$5,925,468	\$6,126,265	\$6,195,270
Departmental Profit										
Rooms Profit	\$6,888,189	\$7,958,914	\$9,136,705	\$9,865,184	\$10,507,740	\$11,129,041	\$11,488,326	\$11,734,722	\$12,150,427	\$12,297,544
Spa Profit	\$178,549	\$199,490	\$226,075	\$241,010	\$256,708	\$268,488	\$277,156	\$285,100	\$293,129	\$296,678
Merchandise, Other	\$347,208	\$391,280	\$423,202	\$429,814	\$436,425	\$443,036	\$443,602	\$443,886	\$450,497	\$450,780
Total Departmental Profit	\$7,413,944	\$8,549,685	\$9,785,983	\$10,536,007	\$11,200,873	\$11,840,564	\$12,209,084	\$12,461,708	\$12,894,052	\$13,045,002
Undistributed Operating Expenses										
Total Administrative & General Expenses	\$796,488	\$839,277	\$939,715	\$976,953	\$1,037,934	\$1,083,900	\$1,117,189	\$1,140,005	\$1,179,260	\$1,192,897
Total Advertising & Promotional Expenses	\$611,795	\$655,686	\$637,298	\$630,292	\$669,635	\$681,808	\$702,748	\$717,100	\$741,792	\$750,971
Total Maintenance & Repair	\$450,289	\$511,435	\$518,731	\$551,506	\$585,930	\$611,879	\$630,671	\$643,531	\$665,711	\$673,410
Total Undistributed Operating Expenses	\$1,858,573	\$2,006,398	\$2,089,744	\$2,158,751	\$2,293,499	\$2,377,586	\$2,450,607	\$2,500,656	\$2,586,763	\$2,616,677
Gross Operating Profit	\$5,555,371	\$6,543,287	\$7,696,239	\$8,377,257	\$8,907,374	\$9,462,978	\$9,738,477	\$9,961,052	\$10,307,289	\$10,428,325
Non-Operating Expenses										
Hotel Management Fee	\$346,299	\$393,411	\$444,626	\$472,719	\$502,226	\$568,473	\$630,671	\$735,487	\$808,363	\$865,812
Hotel Affiliate Fee	\$115,433	\$116,587	\$117,753	\$120,108	\$122,511	\$124,961	\$128,710	\$132,571	\$136,548	\$140,544
Revenue Replacement	\$330,866	\$393,411	\$352,935	\$630,292	\$669,635	\$699,290	\$720,767	\$735,487	\$760,813	\$769,611
Total Non-Operating Expenses	\$692,599	\$903,410	\$1,155,215	\$1,223,120	\$1,294,371	\$1,392,424	\$1,480,147	\$1,603,545	\$1,705,724	\$1,776,068
Net Operating Income (NOI)	\$4,862,873	\$5,639,877	\$6,541,024	\$7,154,137	\$7,613,003	\$8,070,554	\$8,278,330	\$8,357,507	\$8,601,565	\$8,652,257

Notes:

*Model references data received from 3rd party: Hotel Operations Groups, CBRE, STR

Loan Amortization Schedule

Loan Summary			
Loan Amount	\$20,441,169	Annual Payment	\$1,914,904
Loan Term	25 Years	Total Payments	\$47,872,593.89
Interest Rate	8%	Total Interest	\$27,431,425
Compounded	APY		

Schedule

Year	Beginning Balance	Interest	Principal	Ending Balance
1	\$20,441,169.00	\$1,635,293.52	\$279,610.23	\$20,161,558.77
2	\$20,161,558.77	\$1,612,924.70	\$301,979.05	\$19,859,579.71
3	\$19,859,579.71	\$1,588,766.38	\$326,137.38	\$19,533,442.34
4	\$19,533,442.34	\$1,562,675.39	\$352,228.37	\$19,181,213.97
5	\$19,181,213.97	\$1,534,497.12	\$380,406.64	\$18,800,807.33
6	\$18,800,807.33	\$1,504,064.59	\$410,839.17	\$18,389,968.16
7	\$18,389,968.16	\$1,471,197.45	\$443,706.30	\$17,946,261.86
8	\$17,946,261.86	\$1,435,700.95	\$479,202.81	\$17,467,059.06
9	\$17,467,059.06	\$1,397,364.72	\$517,539.03	\$16,949,520.03
10	\$16,949,520.03	\$1,355,961.60	\$558,942.15	\$16,390,577.87
11	\$16,390,577.87	\$1,311,246.23	\$603,657.52	\$15,786,920.35
12	\$15,786,920.35	\$1,262,953.63	\$651,950.13	\$15,134,970.22
13	\$15,134,970.22	\$1,210,797.62	\$704,106.14	\$14,430,864.09
14	\$14,430,864.09	\$1,154,469.13	\$760,434.63	\$13,670,429.46
15	\$13,670,429.46	\$1,093,634.36	\$821,269.40	\$12,849,160.06
16	\$12,849,160.06	\$1,027,932.81	\$886,970.95	\$11,962,189.11
17	\$11,962,189.11	\$956,975.13	\$957,928.63	\$11,004,260.49
18	\$11,004,260.49	\$880,340.84	\$1,034,562.92	\$9,969,697.57
19	\$9,969,697.57	\$797,575.81	\$1,117,327.95	\$8,852,369.62
20	\$8,852,369.62	\$708,189.57	\$1,206,714.18	\$7,645,655.44
21	\$7,645,655.44	\$611,652.44	\$1,303,251.32	\$6,342,404.12
22	\$6,342,404.12	\$507,392.33	\$1,407,511.42	\$4,934,892.70

23	\$4,934,892.70	\$394,791.42	\$1,520,112.34	\$3,414,780.36
24	\$3,414,780.36	\$273,182.43	\$1,641,721.33	\$1,773,059.03
25	\$1,773,059.03	\$141,844.72	\$1,773,059.03	\$0.00

Sources & Uses

Sources				
	\$	Total %	\$ / GSF	\$ / Unit
Grant Funding ¹	\$2,000,000	4%	\$23	\$28,571
GP Equity ²	\$2,555,247	5%	\$29	\$36,504
LP Equity	\$28,107,716	55%	\$317	\$401,539
Debt	\$20,441,975	40%	\$231	\$292,028
Total Sources	\$51,104,937	100%	\$577	\$730,071
Uses				
	\$	%	\$ / GSF	\$ / Unit
Land Cost	\$575,000	1%	\$6	\$8,214
Soft Costs	\$1,264,700	2%	\$14	\$18,067
Hard Construction Costs	\$31,331,721	61%	\$354	\$447,596
FFE Costs	\$6,780,000	13%	\$77	\$96,857
Contingency (10% Total Project Cost)	\$3,937,642	8%	\$44	\$56,252
CM Fee (3% Hard Construction Cost)	\$939,952	2%	\$11	\$13,428
Development Fee (2% Total Project Cost)	\$877,781	2%	\$10	\$12,540
IDA Costs	\$302,400	1%	\$3	\$4,320
Hotel Technical & Pre-Opening Services	\$300,000	1%	\$3	\$4,286
Financing Fees (2% Total Equity & Debt)	\$926,184	2%	\$10	\$13,231
Interest Reserves, Insurance & Taxes	\$3,869,558	8%	\$44	\$55,279
Total Uses	\$51,104,937	100%	\$577	\$730,071