

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY

548 Broadway

Monticello, New York 12701

845-428-7575

APPLICATION FOR FINANCIAL ASSISTANCE

I. APPLICANT INFORMATION:

Company Name: Doetsch Family III LLC
Address: 1216 Hinman Ave, Evanston, IL 60202
Phone No.: 847-644-5906
Telefax No.: _____
Email Address: doug@semmaryhill.co
Fed Id. No.: 83-2851047
Contact Person: Douglas A. Doetsch

Principal Owners/Officers/Directors (list owners with 15% or more in equity holdings with percentage ownership):

Principal Owners (Shareholders/Members/Owners): 50% Douglas A. Doetsch
50% Susan A. Manning
Directors/Managers: Douglas A. Doetsch, Managing Member
Officers: _____

Corporate Structure (attach schematic if Applicant is a subsidiary or otherwise affiliated with another entity)

Form of Entity:

____ Corporation (Sub-s)

Date of incorporation: _____

State of incorporation: _____

____ Partnership

General _____ or Limited _____

Number of general partners _____

If applicable, number of limited partners _____

Date of formation: _____

Jurisdiction formation: _____

☒ Limited Liability Company/Partnership (number of members _____)

Date of organization: 4/29/18

State of organization: NY

☐ Sole Proprietorship

If a foreign organization, is the Applicant authorized to do business in the State of New York? Yes___ No___ N/A___ (If so, please append Certificate of Authority.)

APPLICANT'S COUNSEL

Name: Douglas A-Doetsch, Mayer Brown LLC

Address: 71 South Wacker Drive, Chicago, IL 60606

Phone No.: 312-701-7973

Telefax No.: _____

Email Address: ddoetsch@mayerbrown.com

II. REQUESTED FINANCIAL ASSISTANCE

Estimated Value

Real Property Tax Abatement (estimated)
Mortgage Tax Exemption
Sales and Use Tax Exemption
Issuance by the Agency of Tax Exempt Bonds

\$ TBD
\$ 0
\$ 12,000
\$ 0

III. PROJECT INFORMATION

A.) Project Location:

Project Address: 9291 State Route 97, Callicoon, NY 12723
Tax Map Number(s): 14-5-33
Located in the Village of: Callicoon
Located in Town of Delaware
Located in the School District of _____
Located in Hamlet of Callicoon

(i) Are Utilities on Site?

Water/Sewer ✓ Electric ✓
Gas ✓ Storm Sewer _____

(ii) Present legal owner of the site: Doetsch Family I LLC

If other than Applicant, by what means will the site be acquired for this Project:
Lease from Doetsch Family I LLC to Doetsch Family III LLC (attached)

(iii) Zoning of Project Site: Current: Downtown Callicoon Proposed: _____

(iv) Are any variances needed: No

(v) Principal Use of Project upon completion: Part of Boarding House (Callicoon Suites) project, ie short term rentals

B.) Will the Project result in the removal of a plant or facility of the Applicant or a proposed Project occupant from one area of the State of New York to another area of the State of New York? No; If yes, please explain:

C.) Will the Project result in the abandonment of one or more Plants or facilities of the Applicant or a proposed Project occupant located in the State of New York? No; If yes, please explain:

D.) If the answer to either question B or C above is yes, you are required to indicate whether any of the following apply to the Project:

1. Is the Project reasonably necessary to preserve the competitive position of the Applicant or such Project Occupant in its industry? Yes _____; No _____. If yes, please explain:

2. Is the Project reasonably necessary to discourage the Applicant 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 explain:

E.) Will the Project include facilities or property that will be primarily used in making retail sales of goods or provide services to customers who personally visit such facilities? No; If yes, please contact the Agency for additional information.

F.) Please provide a narrative of the Project and the purpose of the Project (new build, renovations, and/or all equipment purchases). Identify specific uses occurring within the Project. Describe any and all tenants and any/all end users. Describe the proposed acquisitions, construction or reconstruction and a description of the costs and expenditures expected. Attach additional sheets, if necessary.

See attached Project Plan for Seminary Suites, October 2019. This

G.) COSTS AND BENEFITS OF THE PROJECT project is an addition to that project, which was completed as planned.

Costs = Financial Assistance

Estimated Sales Tax Exemption	\$ <u>12,000</u>
Estimated Mortgage Tax Exemption	\$ <u>0</u>
Estimated Property Tax Abatement	\$ <u>TBD</u>
Estimated Interest Savings IRB Issue	\$ <u>0</u>

Benefits= Economic Development

Jobs created	\$ <u>1 @ 50,000/yr.</u>
Jobs retained	\$ <u>0</u>
Private funds invested	\$ <u>540,000</u>
Other Benefits	\$ <u>0</u>

Estimate how many construction/permanent jobs will be created or retained as a result of this Project:

Construction:	<u>0.5</u>
Permanent:	<u>1.0</u>
Retained (at current facility):	<u> </u>

Project Costs (Estimates)	
Land and Existing Buildings	\$ <u>280,000</u> (building purchase) + \$ <u>200,000</u> (invested)
Soft Costs (5%)	\$ <u>10,000</u>
Other	\$ <u>50,000</u>
Total	\$ <u>540,000</u>

In addition to the above estimated capital costs of the project, which must include all costs of real property and equipment acquisition and building construction or reconstruction, you must include details on the amounts to be financed from private sector sources, an estimate of the percentage of project costs financed from public sector sources and an estimate of both the amount to be invested by the Applicant and the amount to be borrowed to finance the Project.

All funds to be provided by Doetsch Family I LLC and Doetsch Family III LLC.

In addition to the job figures provided above, please indicate the following:

- 1) The projected number of full time equivalent jobs that would be retained and that would be created if the request for financial assistance is granted.

1.0

- 2) The projected timeframe for the creation of new jobs.

Beginning May 2023

- 3) The estimated salary and fringe benefit averages or ranges for categories of the jobs that would be retained or created if the request for financial assistance is granted.

\$50,000 salary

- 4) An estimate of the number of residents of the economic development region as established pursuant to section two hundred thirty of the Economic Development Law, in which the project is located that would fill such jobs. The

labor market area defined by the agency (Mid-Hudson Economic Development Region)

1,433,386 (Mid-Hudson Region population age 18-64, based on 2015 Census estimates)

H.) State whether there is a likelihood that the project would not be undertaken but for the financial assistance provided by the Agency, or, if the project could be undertaken without financial assistance provided by the Agency, a statement indicating why the project should be undertaken by the Agency. Assistance from IDA will allow me to commit to a much higher quality project.

IV. 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") in which the Project is located.
- B) First Consideration for Employment. In accordance with Section 858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in JTPA programs who shall be referred by the JTPA Entities for new employment opportunities created as a result of the Project.
- C) Annual Sales Tax Filings. In accordance with Section 874(8) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
- D) Annual Employment Reports. The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site.

- E) Absence of Conflicts of Interest. The Applicant has received from the Agency a list of the members, officers, and employees of the Agency. No member, officers or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described.
- F.) The Applicant represents that the provisions of Section 862(1) of the New York General Municipal Law, as provided below, will not be violated if Financial Assistance is provided for the proposed Project:

§ 862. Restrictions on funds of the agency. (1) No funds of the agency shall be used in respect of any project if the completion thereof would result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, provided, however, that neither restriction shall apply if the agency shall determine on the basis of the application before it that the project is reasonably necessary to discourage the project occupant from removing such other plant or facility to a location outside the state or is reasonably necessary to preserve the competitive position of the project occupant in its respective industry.

- G.) The Applicant confirms and acknowledges that the owner, occupant, or operator receiving Financial Assistance for the proposed Project is in substantial compliance with applicable local, state and federal tax, worker protection and environmental laws, rules and regulations.
- H.) The Applicant confirms and acknowledges 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 exemption claimed by reason of the Agency's involvement the Project.
- I.) The Applicant confirms and hereby acknowledges that as of the date of this Application, the Applicant is in substantial compliance with all provisions of Article 18-A of the New York General Municipal Law, including, but not limited to, the provision of Section 859-a and Section 862(1) of the New York General Municipal Law.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

(APPLICANT)

By: Douglas A. Dotsch
(NAME, TITLE) Managing Member

Date: 8-8-22

(APPLICANT)

By: (NAME, TITLE)

Date: _____

ILLINOIS
STATE OF ~~NEW YORK~~)
COUNTY OF ~~SULLIVAN~~) ss.:
COOK

Douglas A. Dotsch, being first duly sworn, deposes and says:

1. That I am the MANAGING Member of Dotsch Family LLC (collectively, the, "Applicant") and that I am duly authorized on behalf of the Applicant to bind the Applicant.
2. That I have read the attached Application, I know the contents thereof, and that to the best of my knowledge and belief, this Application and the contents of this Application are true, accurate and complete.

Douglas A. Dotsch
(NAME)

Subscribed and affirmed to me under penalties of perjury
this 8th day of August, 2022.

Joyce M. Romano
(Notary Public)



THIS APPLICATION SHALL BE SUBMITTED WITH (I) TWO CHECKS: ONE COVERING A \$250.00 APPLICATION FEE AND THE SECOND COVERING A \$5,000.00 UP-FRONT ESCROW DEPOSIT; AND (II) APPLICANT'S FORMATION DOCUMENTS (IE: IF A CORPORATION: ITS CERTIFICATE OF INCORPORATION AND BYLAWS; IF A LIMITED LIABILITY COMPANY: ITS ARTICLES OF ORGANIZATION AND OPERATING AGREEMENT; IF A LIMITED PARTNERSHIP: ITS CERTIFICATE OF LIMITED PARTNERSHIP AND LIMITED PARTNERSHIP AGREEMENT; OR IF A PARTNERSHIP: ITS PARTNERSHIP AGREEMENT TO:

COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY
Executive Director
548 BROADWAY
MONTICELLO, NEW YORK 12701

HOLD HARMLESS AGREEMENT

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

(APPLICANT)

Douglas A. Detsch, Managing Member
By: (NAME, TITLE)

Date: 8-8-22

(APPLICANT)

By: (NAME, TITLE)

Date: _____

Sworn to before me this
9th day of August, 2022

[Signature]
Notary Public



Project Plan for OLD ROSS HOUSE
(To be managed as part of Boarding House/Seminary Suites)

In October 2019, Doetsch Family III LLC applied to the Industrial Development Agency (IDA) of Sullivan County for a property/sales/mortgage abatement program applicable to Seminary Suites. The narrative for Seminary Suites (as included in the IDA application package) is attached.

As from May 2020, the Boarding House at Seminary Hill (the dba name of the Seminary Suites inn) has been open for business. Business at the Boarding House has been strong, particularly in connection with destination weddings held at Seminary Hill Orchard & Cidery, located less than a mile from the Boarding House. These destination weddings typically have 100-200 guests, largely coming from the New York City metropolitan area. The wedding party and guests spend a long weekend in Callicoon, for a rehearsal dinner, a wedding ceremony and reception, and a morning-after brunch. Seminary Hill usually serves as one of the venues for these events (usually the ceremony and reception, from our site over-looking the Delaware River). Other events for these weekends typically are held at other local hospitality venues (e.g., Catskill Provisions, Western Hotel, etc.), meaning that the destination weddings provide an important source of patronage to many area businesses.

In connection with these destination weddings, the Boarding House (a total of 8 apartments containing 17 keys) is not large enough to accommodate many of our wedding guests. We need more high quality guest rooms nearby.

We recently acquired a 4 bedroom, 2200 square foot home, directly across the street from the Boarding House. We intend to renovate the home into an additional 4 keys in a style consistent with the Boarding House. This will require outside improvements (e.g., new roof, sidewalks, paint, etc.), possibly new mechanicals, and substantially redone bathrooms and kitchen.

We also are considering converting the basement area into a sauna and spa for the use of all Boarding House guests. This would require a substantial renovation of the basement to include bathrooms, sauna and treatment room in the basement.

This new project will be called The Old Ross House, because an 1880s atlas of Sullivan County contains a map of Callicoon Depot showing the home was then owned by a family named Ross. Rehabilitation will begin immediately, and we expect the Old Ross House to be ready for Boarding House guests in May 2023.

With this submission, we are applying for IDA property/sales/mortgage tax abatement. We also intend in 2023 to pursue work force housing for our extended Seminary Hill staff. We do not know where that will be, but expect it to be in or around Callicoon, likely through the renovation of an existing structure. We would also like to apply for IDA support for 4 keys of this project.

Project Plan for SEMINARY SUITES October 2019

Background

The aim of Seminary Suites is to provide comfortable, modern, well-appointed lodgings to visitors to the Upper Delaware Valley. Featuring small stoves and refrigerators in each unit, the suites would accommodate individuals, couples and families in spacious, multi-room suites in one, two and three bedroom configurations. Our target market would be visitors in Callicoon for the week or weekend, and particularly those attending events at Seminary Hill Cidery, our orchard-based cidery located a mile from the units.

Seminary Suites will be constructed in two historic buildings at the corner of Seminary Road and State Route 97 in Callicoon, Town of Delaware. The oldest building was constructed in 1872 and faces State Road 97. Currently unoccupied, it was for many years a medical office building used by long-time Callicoon town doctor Mills. The second building on the site (both buildings are on the same tax parcel) was originally constructed around 1930 by Dr. Mills as the Callicoon hospital; the building is currently unoccupied, but until recently was long-stay apartments. Both buildings are located in the Callicoon Downtown Historic District.

The project to construct Seminary Suites will entail a “gut” renovation of both buildings, with new roofs, new wiring, new bathrooms, and in general a complete rehabilitation of the buildings, designed to retain their historic appearance.

The founder of Seminary Suites is Douglas A. Doetsch. Doug is a Callicoon native whose family has had a farm above Callicoon since the 1860s. Doug is a partner at the international law firm of Mayer Brown LLP.

Seminary Hill Cidery and Tasting Room

The owners of Seminary Suites also own Seminary Hill Orchard and Seminary Hill Cidery. Seminary Hill Orchard has two properties in Callicoon. One property is on Kautz Road and includes the 88 acre family homestead (in the Doetsch family approximately 150 years), with a home, woods and about 6 acres of fields. Of this, 2.5 acres are fenced and planted with 250 heirloom apple trees. The other property is nearby on Wagner Lane. This is a 59 acre plot that is about 2/3 woods and 1/3 fields, with spectacular views overlooking the Delaware River and the former St. Joseph’s Franciscan Seminary. Of this, about 10 acres have been fenced, and 1200 apple/pear trees planted. This plot contains the Seminary Hill Cidery and Tasting Room currently under construction.

The Seminary Hill Cidery and Tasting Room is an almost 8000 square foot facility designed to meet Passive House Institute US (PHIUS) standards, which provide the most cost-effective path for achieving zero energy and carbon use. An eco-friendly and beautifully designed building with views overlooking the Delaware River will attract the tourists that are being targeted by Seminary Hill. The tasting room will hold approximately 100 people for tastings or special

events, and will have a bar with 6-8 taps as well as a porch with seating overlooking the orchard and the Delaware River. Champagne-style bottles of cider will be sold at retail. Ciders from bottles and kegs will also be available by the glass to drink on premises. In addition to Seminary Hill ciders, the tasting room will also offer local cheeses and sausages, as well as grilled vegetables and other light meals. The tasting room will be a place where visitors can learn about Seminary Hill ciders through a variety of written and visual materials, and visitors will also have the opportunity to learn about cider's rich heritage.

We anticipate that Seminary Hill will host weddings and special events, both inside the cidery for groups up to 100 and outside the cidery in an adjacent tent for larger groups. For example, weddings likely would be held in or adjacent to the orchard, weather permitting, with receptions in a tent nearby overlooking the orchard and the Delaware River. Weddings would be themed to the cidery, with special bottlings of cider designed by and for the wedding couples.

Need for Additional Lodging in Callicoon

Callicoon has become one of the focal points of tourism development in Sullivan County, but has a shortage of high quality lodging. Apart from the relatively new Nine River Road and the Western Hotel (which together have under 20 rooms), there are no hotel/B&B rooms in Callicoon. (There are a decent number of AirBnB or VRBO rental homes available in the region, but many guests prefer the in-and-out convenience of a hotel/B&B.) As Callicoon's attractiveness to tourists continues to grow, the need for additional lodgings – particularly on summer weekend – will become more acute.

Seminary Hill has already experienced the shortage of rooms for short term visitors. For two years, Seminary Hill has made itself available for weddings at the Doetsch home located at 134 Seminary Road, averaging about six weddings per year. (Once the Seminary Hill Cidery and Tasting Room is complete, anticipated for summer 2020, the weddings would take place there, rather than at the Doetsch home.) In booking these weddings, Seminary Hill competes with other wedding venues in Sullivan County, such as Handsome Hollow in Long Eddy, but also with other wedding venues along the Hudson River and further upstate. The couples looking at Seminary Hill and competing venues seek a "destination wedding" (often in a rural, agricultural location), where family and friends can spend a long weekend together. The ideal location will offer – all relatively close together - a rehearsal dinner location, a wedding location and a reception location. And critically, the ideal location will also offer nearby lodgings for most of their guests. Wedding venues that do not have lodging available will not compete successfully for these bookings. In discussions with couples who have decided not to book a wedding at Seminary Hill, they have mostly given lack of lodgings for guests as the main reason for choosing another venue.

Seminary Suites would add to Callicoon's hotel stock a total of eight units, all with sitting rooms and small kitchens in a suite configuration. Some would have a single bedroom, others two bedrooms or three bedrooms, to accommodate couples who wish for more room to spread out or families with children. These eight units would have a total of 14 bedrooms, all with en-suite bathrooms, and they could be reconfigured depending on guest needs to combine units or

subdivide units into more units. The fact that each bedroom has its own bathroom will greatly increase the flexibility of spaces available to guests. Seminary Suites will also include common space set up as a welcome parlor/library in the old Callicoon Hospital building, as well as a separate breakfast room in the building. These common spaces would serve both the old Hospital building and the old medical office building. All rehab work to the buildings would be done to Historical Preservation standards.

Apart from a continental breakfast in the Hospital breakfast room, Seminary Suites will not serve meals. Guests will be encouraged to walk down the hill into downtown Callicoon and try the many restaurants and taverns there. The idea is that the entire hamlet of Callicoon will be their neighborhood for the weekend, with shopping, dining and entertainment. As a result, Seminary Suites will contribute to tourism throughout Callicoon and hopefully more broadly in Sullivan County.

Operations

Seminary Suites directly will create 1.5 FTE jobs over the first three years of operation. For the initial year of construction, all design work is being led by Tom Roberts and Anna Aberg of Livingston Manor. Upon opening, Seminary Suites will employ a full time manager and a part-time housekeeper. Due to the indirect effects of permitting more wedding and other event bookings, Seminary Suites is expected to create many indirect FTE positions. On a broader level, as a contributor to tourism, taking into account customary "multiplier" standards for tourism investment, the economic effect could be even more substantial.

Pricing of the units is expected to be consistent with other high quality lodgings in the area, such as Nine River Road. The per night price of a single bedroom suite likely would be roughly \$175-225, of a two bedroom suite roughly \$300-350, and of a three bedroom suite roughly \$400-450. Continental breakfast would be included with the room charge.

Schedule/Timeline

July 2019: Schematic design complete

July 2019: Town of Delaware approval obtained for use of property as inn

October 2019: New roof installed on each building

November 2019: Begin rehab work

May 2020: Rehab work complete

June/July 2020: Furnishing of rooms

August 2020: Open