

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

From: 191 Washington Street LLC

We would like to submit an amendment to our IDA assistance application for the project at 191 Washington Street, originally submitted on April 13th, 2022.

The purpose of this amendment is to modify the deviation request as set forth in the Application to the City of Newburgh Industrial Development Agency and update related numbers. The explanations to the changes are listed below, followed by the amended pages (4, 20, 21, 22, 23, 33, 34, 36).

The Application is amended as follows:

The total estimated project cost was updated from [REDACTED] on pages 4, 20, and 21.

The total Benefit was amended from \$4,392,084 to \$6,371,376 to reflect the updated deviation request on page 4, 23, and 33. Furthermore, the amount in the original application was incorrect, it should have been \$5,907,022.

The estimated cost of construction has been updated from [REDACTED] on page 34.

The amount of private equity was significantly increased from [REDACTED] and the amount of loan requested was reduced from [REDACTED] on page 21 and 22.

The PILOT numbers table has been updated to reflect adjusted deviated schedule on page 36. The original table also contained a typo, which has been corrected as part of this amendment.

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

Date Signed: *October 18, 2022*

191 Washington Street, LLC



By: Erik Cooney, Managing Member

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: October 18, 2022


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

Name: ERIK COONEY

Title: MANAGER

Phone Number: [REDACTED]

Address: [REDACTED]

Signature: 

VERIFICATION

(If applicant is limited liability company)

STATE OF New York

) SS.:

COUNTY OF Orange

, deposes and says that he is one of the (Name of Individual) members of the firm of , the limited liability company named (limited liability company)

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

Ek Coop

Sworn to before me this

18 day of Oct, 2022

SONIA ABRAMS
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01AB6140890
Qualified in Orange County
Commission Expires February 13, 2022

Sonia Abrams

EXPLANATION- AMENDED APPLICATION

This explanation is attached to and part of the Amended Application of 191 Washington Street LLC to the City of Newburgh Industrial Development Agency.

The development plan for 191 Washington Street includes the transformation of the existing School building into a mix of residential and commercial uses. The original classrooms will be converted into spacious apartments, and the auditorium and administrative offices portion of the school building will be home to Snowfall Brewing, a family-run, MWBE owned Farm Brewery with an on-site tasting room. This building will also be home to two fully built and equipped kitchens, which will be available as turn-key food stalls to local mom & pop restaurants and food truck operators looking to expand.

The project also includes the construction of two new buildings on the west side of the property, featuring additional commercial space on the ground floor to be used for retail, office, or light manufacturing. The floors above will feature residential units, a mixture of one-, two-, and three-bedroom apartments.

Newly created greenspace between the buildings will provide outdoor seating by literally bringing down the fences, providing an engaging and welcoming public space for the for the businesses and residents, as well as the community at large.

The development of 191 Washington Street will help kickstart the much needed and awaited revitalization of William Street, unlocking the potential of this formerly active corridor as a compliment to the Broadway and Liberty Street commercial neighborhoods. This will create opportunity for businesses up and down this classic example of a small city commercial street, which today is mostly underutilized, by increasing local and out of town foot traffic.

In addition to over 75 construction jobs created by the project, the businesses in the development will create a substantial number of new and permanent jobs. The brewery alone will hire 15 employees in the first couple of years, and that number will grow as production increases. The rest of the commercial and residential components of the development will also generate a significant amount of commercial activity for new and existing local businesses providing needed services.

The development of this commercial and residential project will result in this property being added to the City's and School District's tax roll for the first time in 150 years, perhaps longer. The commercial activity generated by the development will also have a significant effect on sales tax growth.

The overall investment is projected to be just under \$25,000,000. The main driver behind this number is the cost of construction and site upgrades necessary for infill development. The expected returns on this investment are extremely low, which makes financing impossible without a PILOT.

We are requesting a deviated PILOT schedule to offset a very high assessment. This deviated PILOT is essential to make the project financially viable to secure debt and equity financing. Without the PILOT this development is not feasible.

The pro forma projections with the PILOT for the first 10 years of the project are as follows:

Proforma	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Income	\$ 1,283,998	\$ 1,901,448	\$ 1,948,962	\$ 1,997,201	\$ 2,038,274	\$ 2,099,422	\$ 2,162,405	\$ 2,227,277	\$ 2,294,096	\$ 2,362,918
Expenses	\$ (427,120)	\$ (439,933)	\$ (453,131)	\$ (466,725)	\$ (480,727)	\$ (495,149)	\$ (510,003)	\$ (525,303)	\$ (541,062)	\$ (557,294)
Taxes with PILOT	\$ (49,678)	\$ (50,671)	\$ (60,781)	\$ (71,275)	\$ (82,165)	\$ (93,461)	\$ (105,177)	\$ (117,324)	\$ (135,036)	\$ (163,859)
Cash Flow B4 Debt Svc	\$ 807,201	\$ 1,410,844	\$ 1,435,050	\$ 1,459,201	\$ 1,475,383	\$ 1,510,812	\$ 1,547,225	\$ 1,584,650	\$ 1,617,997	\$ 1,641,765
Debt Service	\$ (666,799)	\$ (1,011,049)	\$ (1,191,467)	\$ (1,191,467)	\$ (1,191,467)	\$ (1,191,467)	\$ (1,191,467)	\$ (1,191,467)	\$ (1,191,467)	\$ (1,191,467)
Cash Flow After DS	\$ 140,401	\$ 399,795	\$ 243,582	\$ 267,733	\$ 283,915	\$ 319,345	\$ 355,758	\$ 393,183	\$ 426,529	\$ 450,297
Cash on Cash Return	N/A	N/A	3.25%	3.58%	3.79%	4.27%	4.75%	5.25%	5.70%	6.02%
DSCR	N/A	N/A	1.20	1.22	1.24	1.27	1.30	1.33	1.36	1.38
Other Proforma Metrics										
Income Growth YoY			2%	2%	2%	3%	3%	3%	3%	3%
Expense Ratio			36%	37%	38%	39%	40%	41%	42%	44%
Debt Balance			\$ 17,257,261	\$ 17,014,942	\$ 16,759,297	\$ 16,489,591	\$ 16,205,051	\$ 15,904,861	\$ 15,588,161	\$ 15,254,042