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October 26, 2017

Hodgson Russ LLP
Joseph A. Scott, III, Esq.
677 Broadway, Suite 301
Albany, New York 12207

RE: Hudson Valley Kingston Development, LLC Responses
to Comments Made by Project Opponents: Boutique Hotel
Project Before the Ulster County Industrial Agency,
City of Kingston

VIA E-MAIL AND REGULAR MAIL

Dear Joe:

As you know, I represent Hudson Valley Kingston Development, LLC in the above referenced matter and I write to the Ulster County Industrial Development Agency in response to certain unsubstantiated claims by project opponents.

In this regard, I have reviewed the October 4, 2017 Public Hearing Transcript and I was present at the October 11, 2017 UCIDA meeting at which members of the public further addressed the UCIDA.

With respect to the foregoing, I offer the following:

a.) Noah Hotel: My client has provided an address of the Noah Hotel within a separate submission to the UCIDA. It is clear that, while the Noah Hotel has not yet been built, my client has not "abandoned" the property.

Moreover, the claim that "nothing has been done with those buildings" is inaccurate, as taxes continue to be paid on this property.

In addition, at my client's sole expense, the abandoned and dangerous Forst Meat Packing Building and State Fish Building were demolished and removed.

My client did not "ruin a neighborhood". In fact, my client continues to provide an important potential avenue for

economic revitalization at the Rondout. [See also, Public Hearing Comments of Mr. Charles Blaichman and Ms. Nan Potter.]

b.) Taxes. My client is not in a position of "not paying taxes" for the planned boutique hotel. The UCIDA PILOT and attendant tax incentives continue to result in taxes being paid on an economically revitalized property once the hotel is built.

The UCIDA operates within a set of detailed statutory directives which are in effect to incentivize economic development. Questions as to whether the hotel "will be full all of the time?" And "does Kingston need all this hotel space?" are not relevant to the required UCIDA analysis. Market forces and operational details are business decisions the applicant makes. Accordingly, said questions are more appropriately directed to the City of Kingston Common Council and/or the City of Kingston Planning Department.

c.) Coming From Brooklyn. My client has owned a residence in Woodstock for 17 years and he has no intention to "turn neighborhoods on their heads and sell their investments and leave."

My client is making a substantial economic commitment to the City of Kingston; an area which has experienced a significant downturn in economic activity from 2007-2016. I opine that this interest in revitalizing the City of Kingston should be applauded; not denigrated.

d.) Speculation. Speculation connotes buying and flipping real property and this is clearly not what my client is doing.

The hotel project is patent proof of a long term commitment to the City of Kingston and the County of Ulster. Jobs, infrastructure, taxes and aesthetic improvements will accrue to the benefit of numerous people.

e.) Jobs. The twenty jobs to be created will assist with filling a void in the existing job market. That the jobs are not "professional jobs" is totally irrelevant. "Less than blue collar jobs, working in hotels, throwing out things, whatever..." are simply pejorative statements.

f.) Charles Blaichman Public Hearing Comments. In further address of the comments by project opponents, I reference the Public Hearing Transcript, at pages 16-19 and 53-54.

g.) UCIDA October 11, 2017 Meeting Comments. I was present at this meeting and the majority of public comments

focused on the UCIDA proceedings and timing of UCIDA meetings. These issues are not germane to my client's project, as the UCIDA and my client have complied with all statutory requirements and UCIDA programmatic directives.

The public comments generally followed the pattern exhibited at the Public Hearing. However, I would like to categorically state that my client is not trying to do the following:

- i.) "Gentrification in Kingston".
- ii.) "Create a monopoly".
- iii.) "Result in muggings and thieves".

The aphorisms of project opponents, as set forth within a-g above, are speculative, conclusory and patently inaccurate based upon the record made.

My client is committed to the City of Kingston and the success of his business venture. It is submitted that this is evidenced within the documentation forwarded to the UCIDA, my client's testimony and the additional documentation addressed to the UCIDA by representatives of Hudson Valley Kingston Development, LLC.

Would you please forward this submittal to the UCIDA for discussion. I am further providing Suzanne Holt, Esq. with a copy for her consideration under cover of this correspondence.

Should you have any questions, do not hesitate to contact me.

Thanking you for your consideration, I am,

Very truly yours,

Michael A. Morfello

MAM:def
cc: Mr. Charles Blaichman
Ms. Nan Potter
Mr. Daniel Hauspurg
Ms. Gina Vigna
Suzanne Holt, Esq.
[all via e-mail]