

ECONOMIC ACTIVITY AND BUSINESS DEVELOPMENT

EXHIBIT VIII. B.5

The Town of Tuxedo (“Town”) and Orange County (“County”) have encouraged the development of unused parcels of land by businesses from a variety of industries, including hospitality and tourism. With the passage of the Upstate New York Gaming and Economic Development Act of 2013, both the Town and County now have the opportunity to host a destination resort that would contribute substantially to the regional economy and achieve a number of specific goals laid out in their respective economic development plans. The Sterling Forest Resort (SFR) project is designed to work in harmony with these existing local economic development plans, fulfilling many long-term goals of both the Town and County.

Additionally, RW Orange County LLC is a member of the Orange County Partnership and the Orange County Chamber of Commerce, and is committed to ensuring the success and growth of the economy and businesses in the region.

The Town of Tuxedo

In the 2011 Town of Tuxedo Comprehensive Plan Update (“Plan”) the Town states their top economic development objective: “encourage nonresidential use along Route 17 and Route 17A, and promote reuse of existing nonresidential facilities.”ⁱ

Once constructed, the SFR situated along Route 17A would accomplish exactly what the Town has identified as its top priority. SFR would take an unused, neglected piece of land and convert it to nonresidential development that will accelerate and enhance the economic growth of the Town and surrounding areas, as well as provide an assortment of “tourist-related” uses that that Town specifically requests in the Plan.ⁱⁱ

Specifically, the Plan calls for “mixed use development of the Faire Partners properties on Route 17A, situated strategically in the middle of the Sterling Forest State Park.”ⁱⁱⁱ The SFR is located on the Faire Partners properties along Route 17A, will be mixed use and feature all of the amenities the Plan calls for, in conjunction with lodging:

“The Plan Update recommends that the RenFaire[sic] property be rezoned to accommodate tourist- oriented activities, including overnight accommodations such as a resort lodge with accessory recreational uses. Small-scale boutique shops and restaurants could also be accommodated but only in association with a lodge. It is the intent of the Plan Update to encourage nonresidential uses along this corridor that would enhance the Town’s tax base.”^{iv}

Currently, the proposed site contains existing nonresidential facilities that have fallen into a state of disrepair. The SFR would achieve the Town’s Plan’s objective of rehabilitating these facilities and improving them to ensure they also contribute to the overall economic growth of the area. Specifically, these facilities consist of: an outdated, underused ski area (Tuxedo Ridge); the site of the New York Renaissance Faire that is similarly under utilized and in need of refurbishment; a large, cleared field with crumbling pavement that serves primarily as a seasonal parking lot; and overgrown grounds that have been unmaintained for many years which had previously been the site of the Sterling Gardens in 1958.

Conforming to the Town’s Plan’s recommendations, the Sterling Forest Resort will offer overnight accommodations (integrated hotel resort); outdoor recreational facilities and attractions; and restaurants and shops in a facility that fits in with the surrounding natural setting of Sterling Forest.

An important aspect of the Town’s Plan includes recommendations for improvements to the existing local transportation infrastructure that has been overburdened for years. The Town has been a longstanding supporter and advocate for the proposed additional Exit 15B off the New York State Thruway – first approved by the state in 1985, but never seen to fruition due to budget issues^v:

“The Route 17 corridor is heavily traveled, affecting the quality of life for residents of the Tuxedo

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and Southfields hamlets. The Town continues to support construction of Interchange 15B to reduce the traffic load within these hamlets. This would, in turn, allow for the creation of pedestrian friendly hamlets that could be redeveloped with housing, introducing new residents who would shop, dine, and recreate in the revitalized hamlets.”^{vi}

RW Orange County LLC has committed to the creation of Exit 15B, completely with private funds, pending all necessary government approvals and review periods. This direct connection to Interstate 87 will alleviate traffic congestion along Route 17 and limit the potential impact of additional traffic associated with SFR on the Town. Traffic improvements will also be made along the Route 17A corridor and interchange with Route 17, alleviating much of the burden on Route 17 and ensuring limited transient traffic spillover on to Route 17.

By removing this traffic from Route 17, the Town’s goal of “pedestrian friendly hamlets” will finally be able to be realized. In the Host Community Agreement between RW Orange County LLC and the Town, funds are provided for beautification of this specific corridor, allowing the town to create an environment where businesses will want to locate and grow. With a decrease in transient traffic along Route 17, the Town can work in conjunction with New York State Department of Transportation to provide street parking and enlargement of the pedestrian walkways. An increase in local, non-transient traffic from employees of SFR will also contribute to setting the stage for business growth in the region by enlarging the current universe of patrons that would frequent new and existing businesses in this corridor.

It is the belief of RW Orange County LLC that the SFR project has been proposed, and would be executed, consistent with the recommendations and interests expressed by the Town in their most recent Plan.

Orange County

Tourism is one of New York State’s fastest growing industries, employing approximately 700,000 New Yorkers and generating \$100 billion annually.^{vii} This industry doesn’t just stop at New York City’s borders; three of the top five tourist attractions in upstate New York are located within Orange County.^{viii} The County’s Department of Planning and the Orange County Partnership have made increasing tourism a top priority in the economic development plans for the County. According to a March 2014 report by the County, in 2012 more than 4 million tourists visited attractions in the County, spending over \$430 million in the local economy.^{ix} The SFR alone would more than double the amount of tourists visiting the county with an estimated 7 million visitors per year, complete with the economic benefits associated.^x

Increased tourism traffic to the region would lead to additional sales and hotel taxes revenue, patronage of local businesses and vendors, and the expansion and growth of businesses that provide services or products to leisure travelers arriving via bus, plane or car. The addition of several thousand well-compensated employees to the region will also result in increased economic activity, as these careers will offer above average wages with the associated above average discretionary income and ability to spend money locally.

The County has also made a proactive push to encourage increased tourism during the “Shoulder Season.”^{xi} The SFR would provide year-round entertainment, lodging and recreational facilities that would continue to attract visitors to the region through the shoulder season. Specifically, the revamped Tuxedo Ridge Ski Center will feature a modern snowmaking system, lift system, terrain park and other improvements that will vastly expand and improve existing offerings, resulting in an unparalleled ski experience on New York City’s doorstep. The revitalized and reimagined Sterling Gardens would feature unique flora displays year-round and special holiday decor and festivals that would also attract visitors during the Shoulder Season.

Another key goal of the County’s economic development plan is the support, retention and growth of small businesses. RW Orange County LLC would ensure that SFR operate as a contributing member of the local business community, using local vendors where possible and running cross-promotional events and marketing opportunities that would further allow local restaurants, entertainment venues and stores

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to enjoy the economic benefits of the increased tourism traffic to the region. To that end, SFR will also allow patrons to use their reward points earned at the facility at a number of local businesses, encouraging tourist traffic to the surrounding area.

Representatives of RW Orange County LLC have secured over a hundred Memorandums of Understanding (MOUs) and Letters of Intent (LOIs) from local businesses in and around the Town.^{xii} These commitments to hash out terms of cross marketing opportunities and local sourcing of products are just the beginning of SFR's support and use of local resources. Additionally, existing live entertainment venues, large and small capacity, in the region have also executed MOUs to work with SFR to ensure that the resort only expands current opportunities and does not detract from any local offerings. These agreements are in addition to the over 400 letters of support received from local residents and businesses.

RW Orange County LLC is committed to using local vendors in the Town and surrounding municipalities as frequently as possible at SFR. LOIs have been signed with caterers, fabric and carpet distributors, landscapers, among others. Upon receipt of a Gaming Facility License, representatives of SFR will work to enter contracts with the local businesses that have signed LOIs/MOUs, and others who may be best suited to provide products or services to the resort.

RW Orange LLC fully expects to continue to work closely with the Orange County Partnership, the, not-for-profit economic development agency that serves as the one-stop resource for economic development in the County, to ensure the creation and operation of the SFR is done in concert with the county's overall economic development plan.

ⁱ Town Board of the Town of Tuxedo; 2011 Town of Tuxedo Comprehensive Plan Update; III. Goals and Objectives, "Economic Development"; August 2011

ⁱⁱ "Bullet 2

ⁱⁱⁱ "Bullet 4

^{iv} Town Board of the Town of Tuxedo; 2011 Town of Tuxedo Comprehensive Plan Update; VI. Land Use and Zoning; C. Land Use Recommendations; 5. Faire Tourism-Oriented Mixed Use/Tourism-Related Community

^v Section 341 (34) of the New York State Highway Law (1985)

^{vi} 2011 Town of Tuxedo Comprehensive Plan Update; II. Issues and Opportunities; Bullet 9

^{vii} Tourism Economics for the New York State Governor's Office.

<http://www.governor.ny.gov/assets/documents/tourism/nys-tourism-impact-2012-v1.0.pdf>. Accessed 6/20/14.

^{viii} Orange County Department of Planning; March 2014 "Orange County Economic Development Strategy"; "Executive Summary"; p. 5

^{ix} "Tourism"; p. 27

^x RW Orange County LLC. "Sterling Forest Resort" Application Section VIII. A.3

^{xi} "Shoulder Season" defined as the months of January through March by Orange County Department of Planning.

^{xii} Section IX. B.1, IX. B.2.a