



Carriage Traders



GMC



November 16, 2021

James Malcolm, Chair
Ulster County Capital Resource Corporation
P.O. Box 4265
Kingston, New York 12401

Re: Application of Romeo Kia

Dear Mr. Malcolm:

Since our original application to the IDA was completed in April 2021, construction costs have risen substantially, and our project estimates have followed suite. As such, please allow this correspondence to serve as our request to increase the amount of the sales tax exemption we have applied for through the CRC.

Based on recent estimates, we anticipate that the total project cost will be approximately \$7 million, instead of the \$5,823,425 as stated on page 17 of the IDA Application. The new mortgage on the property is anticipated to be approximately \$6 million. As such, we are requesting an increase in the mortgage recording tax exemption from \$39,926 to \$45,000. We are working with both Bank of Montreal and the SBA for mortgage and construction financing, and already have approximately \$800,000 spent on the project as equity.

Additionally, the costs for the goods and services subject to State and local sales and use tax is anticipated to increase to approximately \$3.8 million from the \$2 million originally estimated. Thus, we are requesting an increase in the sales tax exemption to \$304,000.

Due to the drastic increases with the costs of construction, along with the loss of the PILOT, we are requesting that the CRC authorize the increases for the mortgage tax and sales tax exemptions outlined above. Thank you for your consideration of our request and we look forward to continuing to work together.

Yours truly,

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