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November 20, 2007

Robert Gallagher, Supervisor
424 Main Street
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RE: Application of Hudson River Valley Resorts
for the Re-development of the Williams Lake Hotel Site

Honorable Supervisor and Members of the Town Board:

I. INTRODUCTION

This firm represents Hudson River Valley Resorts, LLC ("HRVR") in connection with its proposed redevelopment of the Williams Lake Hotel site.

HRVR is a New York corporation owned and controlled by a group of professional investors with a strong background in land development and finance. This group includes Rick Steele of Longmeadow Capital, Matrix Planning LLC, and Revolution LLC, as well as other individual investors. The corporation was formed for the purpose of acquiring, master planning, and developing the subject property. HRVR has hired Canopy Development, LLC ("Canopy") as the development manager of the proposed resort community, including coordination of the entitlement process. Canopy is a land development company which plans and develops environmentally sound and community-oriented resort and second home projects.

The project team for this application includes top regional consultants. In addition to our firm as counsel, Tim Miller Associates serves as Project Planners, Crawford and Associates as Project Engineers, and Stearns & Wheler as wildlife consultants.

HRVR is proposing a project sensitive to the natural features and historic significance of this beautiful property. The 779 acre site has a long history of industrial and commercial use, most recently as an outdated 95 room hotel with amenities and an internal road and trail system. The Concept Plan (the "Plan") (see attached Petition, Exhibit B) anticipates a LEED Gold-certified 130 room hotel, 160 for-sale homes (101 attached townhouses and 59 detached single-family homes), a

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spa, a wellness center, and a welcoming/arrival facility. Roughly 729 acres, or almost 95%, of the project site's 779 acres will remain undeveloped.

II. DESCRIPTION OF PROPERTY AND CURRENT ZONING

The subject property is part of the former Consolidated Rosendale Cement Company site, located to the west of the New York State Thruway and north of Route 26. Since 1929, the property has been operated as the Williams Lake Hotel. The main hotel building and most of the improvements are situated lakeside at the southern end of the large site. The rest of the property is largely forested, although throughout its history large portions of the site were cleared to accommodate its industrial use. In fact, the imprint of the cement industry's history can still be seen in the remnant mines and kilns scattered throughout the site. The northern half of the site is dominated by a 411 acre conservation easement, which also serves as an important Indiana Bat habitat. The subject property is presently located in the A (Residence) Zoning District, which allows for single family homes on 1.5 acre lots, and hotels pursuant to special permit.

III. PROPOSED PROJECT

The project site contains approximately 779 acres. Approximately 411 acres consist of land protected by a conservation easement (including Fourth Lake), and an additional 43 acres are covered by Fifth Lake. Therefore, the project site consists of 325 acres that are available for potential development.

The proposed renovation would call for the addition of 35 rooms to the existing 95 room hotel. The Plan would also result in the construction of 160 for-sale homes, and an interpretive center highlighting Rosendale's cement history. Among the proposed amenities will be a skating rink, yoga/meditation studio, a boathouse, and a teahouse. Public access would be allowed to the portions of the rail trail under the Applicant's control and to which access can be linked, for hiking and biking.

The majority of the development will be on lands previously disturbed during the cement mining era. No development is planned on the prominent ridgeline east of Fifth Binnewater Lake. Creative and effective stormwater management will be proposed. The Plan will incorporate pedestrian-as opposed to vehicle-focused design, energy efficiency, renewable energy, green roofs and diminished impervious surfaces.

IV. PROPOSED ACTION

A. Proposed Zoning: Three factors influenced the decision to seek a zone text amendment to accommodate the proposed action. First, a review of the former Development Plan and the new Master Plan, which each set out a vision for the site best accomplished by revised zoning. Next, a

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review of the Rosendale Zoning Code, which is noted by the new Master Plan to be outdated. Finally, consideration of the modern demands of the resort industry. Zone text amendments are proposed to establish the best regulatory framework for the proposed development. Enclosed herewith is a Petition to Amend the Town Zoning Ordinance, accompanied by exhibits including draft legislation. The proposed legislation would allow Planned Resort Community ("PRC") within the A (Residence) district by special permit. The special permit approach is most appropriate on several levels.

First, it is noted that it is consistent with the current zoning framework on the site, which allows the hotel use by special permit within this residential zone. Second, as will be detailed further below, the creation of a regulatory scheme specific to uniquely situated, previously impacted sites is consistent with the goals of the Town Comprehensive Plan. Third, special permits are a creation of New York Town Law by which the legislative body guides and determines the orderly development of the town by adopting provisions of the zoning code which further their valid planning goals in keeping with the Comprehensive Plan. The Town Board exercises control in the process by putting in place the standards by which the Planning Board is to review the application and the range of conditions appropriate to any approval. Then, the Planning Board performs its role by applying its planning experience and the expertise of its consultants to ascertain that the application indeed meets the criteria set forth in the special permit regulations.

Both the legislative action (the adoption of the special permit regulations), and the Planning Board action (the review and recommendation on those regulations and the review and decision on the particular application) are taken within a statutory framework which requires consistency with the long-term planning goals of the community. These goals are expressed in two documents adopted almost thirty years apart. The officially adopted Comprehensive Plan governs, but the 1969 Development Plan can also be seen to agree on the planning precepts which should govern the Williams Lake site.

B. The 1969 Development Plan: In 1969, the Town of Rosendale adopted a Development Plan to guide the Town in its future growth and development. The Master Plan notes that "the primary asset of the Town of Rosendale is its physical characteristics." However, it is also acknowledged that the Shawangunk Mountains and the hills north of Route 213 present problems in terms of development because of their "extreme slope and lack of soil mantle." Development opportunities which can provide for economic growth, but respect these physical features, are encouraged, a goal not easily met by traditional residential or commercial development. Recognizing these constraints, the Development Plan notes that the best opportunity for development of these sites is as recreational development and promote the redevelopment of existing impacted sites. Of course, the proposed special permit would promote "the development or redevelopment of [resort uses]," as the Development Plan recommends. The Williams Lake Hotel is advantageously located, but is not viable as a modern resort. Redevelopment is the only means of keeping the site relevant in the 21st century.

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C. The 2007 Comprehensive Plan: The recently adopted Comprehensive Plan indicates support for development along the Route 32 corridor, and states that the dominate town concern is the protection of the water supply and the natural environment. Among other recommendations which support the project are the goals of protecting large contiguous parcels where possible. The preservation of links between natural habitats, the protection of natural vegetative buffers, and, perhaps most importantly, the adaptive reuse of already altered land is encouraged, and is, in many respects, the focal point of the Comprehensive Plan. Therefore, redevelopment of an existing resort site which ensures its long term viability, preserves its heritage, and protects an enormous amount of open space, is an almost axiomatic plan for the site. All this will be accomplished with very modest impacts on the school system and other public services.

D. Conformance of the Plan with the Planning Goals of the Community: Redevelopment of an existing hotel or resort area near open space and recreational amenities would be encouraged by the proposed special permit. Furthermore, the proposed plan preserves natural features of the site by developing a relatively small portion of the large site, thereby maintaining large areas of open space.

It is also important to note that the proposed zoning and the Plan of the applicant for this site would facilitate the development of a resort hotel and residential single family homes, in a manner of development no different from the zoning classification of the site for the last 50 years: a specially permitted hotel within a residential zone. The proposed action merely alters the Zoning Code to account for modern viability standards and better advance the goals of the Comprehensive Plan.

IV. CONSIDERATION OF IMPACTS

A. Positive Declaration: The applicant presumes a Positive Declaration and an Environmental Impact Statement (EIS) process pursuant to SEQRA, a process which will require a detailed, hard look at environmental impacts. A Draft Scope, which serves as a sort of "table of contents" for the EIS, is attached hereto for your review and consideration. (See **Exhibit E**). The EIS process will provide substantial data and analysis on impacts, both adverse and beneficial.

B. History and Existing Conditions: First, it is important to recognize the real history of this site as a significantly impacted site. Of course it is apparent that until very recently, the Williams Lake Hotel was a thriving resort community in its own right, impacting the land through its development footprint and the active and passive recreation uses accompanying the resort. As such, it also generated traffic, drew upon the natural water supply, required wastewater management, and facilitated human interaction, for better and for worse, with the natural environment surrounding the primary development site. Beyond that, the site has a history as an even more heavily impacted industrial site, linking the Town proudly and indelibly with its namesake trade – Rosendale Cement. It was also a heavily logged site during this era.

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For these reasons, the baseline for consideration of environmental impacts, and the public discourse on the project cannot cast the development envelope of this site as a "pristine" environment. Much of the site is a scenic treasure, and indeed, half of it will remain forever protected by a conservation easement, and nearly 95% of it will remain undeveloped. But the portion sought to be redeveloped by the Applicant is an impacted site, with a long history of human intervention.

Against this backdrop, the impacts of the proposed development are well-mitigated or clearly positive. Treating the property as a *de facto* public amenity will ensure its ultimate demise and allow the sun to set on its important history and continued economic potential, with negative impacts on the Town as a whole. Promoting its viability will preserve its cultural heritage and make Rosendale a destination.

C. Fiscal Impacts: From a fiscal impacts perspective, the project sponsor proposes a luxury resort in the nature of those which are flourishing in other parts of the country and around the world. Given the unique beauty of Rosendale and Ulster County, its accessibility to the New York metro area, and the sponsor's own expertise in developing these resorts, the project is well positioned for success. The local economy, particularly the Main Street area of Rosendale, would benefit from its proximity to Williams Lake and the expenditures made locally by new second-home residents, resort patrons, and the large on-site support staff serving the resort.

As the EAF (Petition, Exhibit C) reflects, over 1,500 jobs will be created by the construction of the project, and over 450 permanent jobs are anticipated when the resort is complete. This must be contrasted with the recent history of the Williams Lake Hotel, the diminishing viability of which could not, and could not be expected to, match such ancillary benefits. At the municipal level, this project can be expected to generate significant economic benefits from daily spending by its patrons, adding sales tax revenues and a boost to the local tax base in increased property tax revenues. As second-home residents and resort patrons, very low demand on municipal services and low numbers of school children can be expected. Based on its projected value, the project sponsor estimates that the proposed project development will benefit the Town and County by some eighty times the current property tax levy for the site.

D. Water Supply: Based upon the current site programming, total water consumption is estimated to be 158,775 gallons per day (gpd). To provide a conservative estimation, no credit has been taken for water conservation efforts or water saving fixtures. Source water is expected to come from a variety of sources: the low density portions of the development consisting of single family homes may be served by individual wells or shared wells, depending on well capacity; and high density portions of the development consisting of the hotel, spa facilities and townhouses will be served by a central water system using Williams Lake's existing surface water source. All water will receive appropriate treatment to comply with New York State drinking water standards. Water

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distribution, treatment systems and storage will be permitted through the Ulster County Department of Health. All water systems will be owned, operated and maintained by HRVR.

E. Wastewater Treatment: Wastewater will be generated by the various uses of the site. Total estimated wastewater generation is assumed to equal consumption at 158,775 gpd. As with the water systems, wastewater will be managed and treated using various methods. Single family residential wastewater will be treated in individual or small community septic systems. All wastewater generated by the high density portions of the development will be collected in a central sewage collection system and conveyed via a pump station to a wastewater treatment plant for treatment to NYSDEC Intermittent Stream Standards. Treatment facilities will be approved by the NYSDEC. All wastewater treatment systems will be owned operated and maintained by HRVR.

F. Traffic Impacts: Traffic impacts will be thoroughly examined during the EIS process as well. The internal road system will be improved and appropriately expanded, as necessary, to adequately serve the resort, and impacts on nearby intersections will be studied. Given the history of the site as a commercial and industrial center, and the patterns of use likely for residents and patrons of this type of community, it is expected the traffic impacts will be more than adequately addressed and mitigated, if necessary.

G. Wildlife and Natural Habitat: One of the most important features of the project site is the natural habitat and wildlife. Three species of "special concern" have been identified on the site. They are the Jefferson Salamander, the Red Shouldered Hawk, and the Small-Footed Bat. The vastness of the site, the location of the habitat and habitat corridors on site, and the small and well-planned footprint of the proposed redevelopment, ensure that these species will not be threatened by the development. Similarly, the Indiana Bat (an endangered species) will not be threatened by the redevelopment. The bats hibernate in three caves on the site. The largest and most important of the caves is fortuitously protected within the confines of the existing Conservation Easement area. The other two caves are located near areas of the site which are already developed and impacted. One of the foremost Indiana Bat experts, Mike Fishman of Stearns & Wheler, is a member of the development team and will work closely with the DEC and US Fish & Wildlife Department to ensure protection of this important species.

V. CONCLUSION

We respectfully request that the Town Board and Planning Board take the following actions on this initial submission:

Town Board:

1. Place the matter on its December 5 agenda;

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2. Accept the application and refer the Petition to the Planning Board for its review, recommendation, and action pursuant to SEQRA, such that, upon receipt of such recommendation, the Town Board may schedule a public hearing on the proposed zone text amendments, as they may be modified.

Planning Board:

1. Place the matter on its December 6 agenda;
2. Declare its intent to act as Lead Agency pursuant to SEQRA and authorize circulation of its Notice of Intent to involved and interested agencies;
3. Authorize its consultants to review and comment on the proposed Scope submitted by the Applicant and to provide those comments to the Board and the Applicant prior to its next meeting; and
4. Schedule a public Scoping Session on a date certain, more than thirty days after the circulation of the Notice of Intent, so that at such subsequent meeting, the Planning Board may confirm its Lead Agency status, issue a Positive Declaration, and conduct a public scoping session.

Please let us know if there is anything else you require.

Very truly yours,

VENEZIANO & ASSOCIATES

By: _____

Joseph P. Eriole, Esq.

cc: Billy Liggan, Planning Board Chair
Rosendale Planning Board
Canopy Development, LLC
Brandee Nelson, P.E.
Tim Miller, AICP