

NOTICE OF PUBLIC HEARING  
ON PROPOSED PROJECT  
AND FINANCIAL ASSISTANCE  
RELATING THERETO

Notice is hereby given that a public hearing pursuant to Sections 859-a(2) and 874(4)(b) of the General Municipal Law of the State of New York (the "Act") will be held by the City of Newburgh Industrial Development Agency (the "Agency") on December 16, 2024 at 6:30 o'clock p.m., local time, at the meeting room of the Agency located at the Newburgh Activity Center, 401 Washington Street, Orange County, Newburgh, New York in connection with the following matters:

Scobie Industrial Partners, LLC, a New York limited liability company, or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency (collectively, the "Company"), submitted an application to the Agency, which application has been updated by the Company prior to this meeting (collectively, the "Application"), a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) the acquisition of an interest in a parcel of real property consisting of approximately 15.24 acres located at 5 Scobie Drive, Newburgh, New York (the "Land"), (2) the remediation of hazardous waste present on the Land pursuant to the Remedial Action Work Plan developed by the Company and approved by the New York State Department of Environmental Conservation, (3) the construction and improvement of a new warehouse distribution building on the Land totaling approximately 125,000 square feet (the "Facility"), and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, and the Equipment hereinafter collectively referred to as the "Project Facility"), (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

The Agency is considering whether (A) to undertake the Project, and (B) to provide certain exemptions from taxation with respect to the Project, including (1) an exemption from mortgage recording taxes at an estimated value of \$212,310.00 with respect to any documents, if any, recorded by the Agency with respect to the Project in the office of the County Clerk of Orange County, New York or elsewhere, (2) exemption from deed transfer taxes on any real estate transfers, if any, with respect to the Project, (3) an exemption from New York State sales and compensating use taxes at an estimated value of \$914,625.00 relating to the acquisition, construction, renovation and installation of the Project Facility, and (4) in the event that the Project Facility would be subject to real property taxation if owned by the Company but shall be deemed exempt from real property taxation due to the involvement of the Agency therewith, exemption from real property taxes (but not including special assessments and special ad valorem levies), if any, with respect to the Project Facility, subject to the obligation of the Company to make payments in lieu of taxes with respect to the Project Facility for fifteen (15) years at an estimated value of \$2,395,955.00. PLEASE TAKE NOTICE that the proposed payments in lieu of taxes deviates from the Agency Uniform Tax Exemption Policy and accordingly, in accordance with Section 874(4) of the Act prior to granting such portion of the Financial Assistance, the Public Hearing will also seek comments from the affected tax jurisdictions on the proposed deviation from the Agency Uniform Tax Exemption Policy.

If the Agency determines to proceed with the Project, the Project Facility will be acquired, constructed, reconstructed and installed by the Agency and will be leased (with an obligation to purchase) or sold by the Agency to the Company or its designee pursuant to a project agreement (the "Agreement") requiring that the Company or its designee make certain payments to the Agency.

The Agency has not yet made a determination pursuant to Article 8 of the Environmental Conservation Law (the "SEQR Act") regarding the potential environmental impact of the Project.

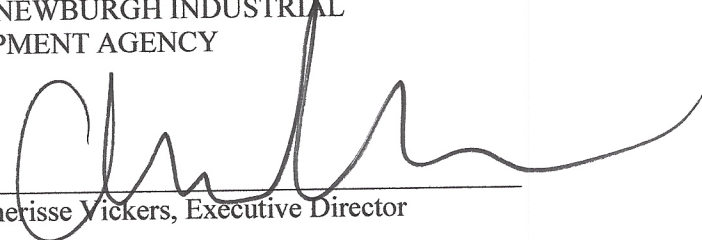
The Agency will at said time and place hear all persons with views on either the location and nature of the proposed Project, or the Financial Assistance being contemplated by the Agency in connection with the proposed Project. A copy of the Application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, is available for public inspection during business hours at the offices of the Agency. The Application for the Company is included in the application of the Project's owner/sponsor, Scobie Industrial Partners, LLC. The entire Project will be considered at the Public Hearing. A transcript or summary report of the hearing will be made available to the members of the Agency.

Additional information can be obtained from, and written comments may be addressed to: Cherisse Vickers, Executive Director, City of Newburgh Industrial Development Agency, 83 Broadway, Newburgh, New York 12550; Telephone: 845-569-7369.

Dated: November 15, 2024.

CITY OF NEWBURGH INDUSTRIAL  
DEVELOPMENT AGENCY

BY: s/

  
Cherisse Vickers, Executive Director

CITY OF NEWBURGH  
INDUSTRIAL DEVELOPMENT AGENCY

## Resolution No. 2024-10-21-02

A regular meeting of the City of Newburgh Industrial Development Agency (the "Agency") was convened in public session at City Hall, 83 Broadway, 3rd Floor, Newburgh, New York October 21, 2024, at 6:00 o'clock p.m., local time.

The meeting was called to order by the Chairperson of the Agency and, upon roll being called, the following members of the Agency were:

PRESENT:

Christina Amato	Vice Chairperson
Gregory Nato	Vice Chairperson and Secretary
Michael Neppi	Member
Alexandra Church	Member
Vickiana DeMora	Member
Sharonda Powell	Member

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Cherisse Vickers	Executive Director
Adriana Huaynalaya	Financial Administrator
Robert J. McLaughlin, Esq. and David Craft, Esq.	Agency Counsel

The following resolution was offered by Gregory Nato, seconded by Alexandra Church, to wit:

Resolution No. 2024-10-21-02

RESOLUTION AUTHORIZING THE CHAIR OR THE VICE CHAIR OR ANY OFFICER OF THE CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY TO HOLD A PUBLIC HEARING REGARDING A PROPOSED PROJECT TO BE UNDERTAKEN FOR THE BENEFIT OF SCOBIE INDUSTRIAL PARTNERS, LLC, AND TO SEND A LETTER TO THE CHIEF EXECUTIVE OFFICERS OF THE AFFECTED TAXING ENTITIES INFORMING THEM OF A PROPOSED DEVIATION FROM THE AGENCY'S UNIFORM TAX EXEMPTION POLICY IN CONNECTION WITH THE PROPOSED PROJECT.

WHEREAS, the City of Newburgh Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of

Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act" or the "Act") and Chapter 577 of the 1982 Laws of New York, as amended, constituting Section 913 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing, warehousing, research, commercial and industrial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act), or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, the Agency owns certain real property located at 5 Scobie Drive, Newburgh, New York (the "Property") by deed from the City of Newburgh; and

WHEREAS, the Agency and the New York State Department of Environmental Conservation ("DEC") entered into a Brownfield Site Cleanup Agreement ("Brownfield Cleanup Agreement") that contemplated investigation and potential remediation of contamination on or around the Property (the "Work"); and

WHEREAS, the Agency issued a Request for Proposals for the sale and development of the Property on or about June, 2019 (the "RFP"); and

WHEREAS, in response to the RFP, the Agency received two proposals; and

WHEREAS, at the meeting of the Agency held on December 16, 2019, the Agency determined to proceed with the negotiation of a contract of sale with Scobie Industrial Partners, LLC, a New York limited liability company (the "Company"); and

WHEREAS, the Agency entered into a Contract of Sale for the Property with the Company on or about July 30, 2022, as amended; and

WHEREAS, as part of the stated consideration in the Contract of Sale for the Property, the Company agreed to bear responsibility for the entire costs of the required clean-up of the Property under the Brownfield Cleanup Agreement; and

WHEREAS, DEC agreed to amend the Brownfield Cleanup Agreement to, among other things, add the Company as a volunteer under the agreement responsible for implementation of the Work subject to the terms under the Brownfield Cleanup Agreement; and

WHEREAS, pursuant to a Real Property License Agreement by and between the Agency and Company, the Agency has granted the Company access to the Property, prior to the closing of the Contract of Sale for the Property, for purposes of undertaking the Work at the Property; and

WHEREAS, the Company has designed a Remedial Action Work Plan for the remediation of the contamination on or around the Property; and

WHEREAS, the Company's Remedial Action Work Plan has received preliminary approval from the State's Department of Environmental Conservation; and

WHEREAS, the Company desires to proceed with the purchase of the Property under the terms of the Contract for Sale for the Property; and

WHEREAS, on July 18, 2024, the Company, or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency (those designated persons or entities included in the definition of the Company), submitted an application to the Agency, which application has been updated by the Company prior to this meeting (collectively, the "Application"), a copy of which Application is on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) the acquisition of an interest in the Property, (2) the remediation of hazardous waste present on the Property pursuant to the Remedial Action Work Plan developed by the Company and approved by DEC, (3) the construction and improvement of a new warehouse distribution building on the Property totaling approximately 125,000 square feet (the "Facility"), and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Property, the Facility, and the Equipment hereinafter collectively referred to as the "Project Facility"), (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Company requests the following Financial Assistance: a) a fifteen (15) year payment in lieu of tax agreement ("PILOT") at an estimated value of Two Million Three Hundred Ninety-Five Thousand Nine Hundred Fifty-Five Dollars (\$2,395,955.00); b) an exemption from mortgage recording taxes at an estimated value of Two Hundred Twelve Thousand Three Hundred Ten Dollars (\$212,310.00); and c) an exemption from New York State sales and compensating use taxes at an estimated value of Nine Hundred Fourteen Thousand Six Hundred Twenty-Five Dollars (\$914,625.00); and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any "financial assistance" (as defined in the Act) of more than \$100,000 to any project, the Agency, among other things, must hold a public hearing pursuant to Section 859-a of the Act with respect to said project; and

WHEREAS, pursuant to Section 859-a of the Act, prior to the Agency providing any "financial assistance", the Agency must obtain a written cost-benefit analysis of the Project, and

WHEREAS, the Agency has previously engaged a third-party municipal services firm, MRB Group, which assessed the Project and developed a written cost benefit analysis which identified the following economic impact and benefits to the City of Newburgh from the Project: a) the construction phase of the Project will create 35 direct/indirect jobs that generate approximately \$2,862,830.00 in wages; b) the Project will result in 20 permanent jobs earning approximately \$1,900,000.00 in wages on an annual basis; c) Orange County will benefit from additional, one-time sales tax revenue of \$18,787.00 associated with construction wages earned during the construction phase and additional sales tax revenue of \$220,955.00 related to new wages earned from permanent jobs; d) over the course of 15 years, the Project will generate an increase of \$1,652,754.00 in additional property tax revenue on the current taxes for Orange County, the City of Newburgh, and the Newburgh Enlarged City School District; and

WHEREAS, in connection with the Application, the Company has made a request to the Agency (the "Pilot Request") to deviate from its Uniform Tax Exemption Policy (the "Policy") with respect to the

term of the payment in lieu of tax agreement by and between the Agency and the Company (the "Proposed Pilot Agreement"); and

WHEREAS, pursuant to Section 874(4) of the Act and the Policy, prior to taking final action on the Pilot Request for a deviation from the Policy, the Agency must give the chief executive officers of the County and each city, town, village and school district in which the Project is located (collectively, the "Affected Tax Jurisdictions") prior written notice of the proposed deviation from the Policy and the reasons therefore; and

WHEREAS, the Policy provides that the real property tax abatements to be provided by the Agency shall apply only to the value added by an applicant's construction or renovation activities (i.e., the "improvements" made) to the existing parcel and improvements involved (the "Added Value"); and

WHEREAS, the comparison of the current Added Value of the Project to the proposed deviation from the Policy proposed by the Company are set forth below:

PILOT TAX YEAR	PILOT PAYMENT DUE	APPROXIMATE PILOT ABATEMENT PERCENTAGE*
1	\$26,170	0%
2	\$26,825	0%
3	\$62,957	85%
4	\$64,531	85%
5	\$66,145	85%
6	\$93,258	75%
7	\$95,589	75%
8	\$97,979	75%
9	\$127,845	65%
10	\$131,041	65%
11	\$134,317	65%
12	\$167,200	55%
13	\$171,380	55%
14	\$175,665	55%

15	\$211,851	45%
16 and Thereafter	Full Tax	0%

\*Chart is for illustrative purposes only.

WHEREAS, pursuant to Section 858(15) of the Act, unless otherwise agreed by the Affected Tax Jurisdictions, payments in lieu of taxes must be allocated among the Affected Tax Jurisdictions in proportion to the amount of real property tax and other taxes which would have been received by each Affected Tax Jurisdiction had the Project Facility not been tax exempt due to the status of the Agency; and

WHEREAS, pursuant to Section 874(4) of the Act and the Policy, prior to taking final action on the request for a deviation from the Policy, the Agency must adopt a resolution setting forth, with respect to the proposed deviation: (a) the amount of the proposed Tax Exemption, (b) the amount and nature of the proposed PILOT, (c) indicating the reasons for the proposed deviation, and (d) whenever possible, provide the Affected Tax Jurisdictions prior written thirty (30) days' notice of the proposed deviation from the Policy and the reasons therefore; and

WHEREAS, the Agency desires to provide for compliance with the provisions of Section 859-a and 874(4) of the Act with respect to the Project by scheduling a public hearing for the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby induces the Project and authorizes the Chair, the Vice Chair or any Officer of the Agency, after consultation with the members of the Agency and Agency Counsel, (A) to establish the time, date and place for a public hearing of the Agency to hear all persons interested in the Project (the "Public Hearing"); (B) to cause the Public Hearing to be held in a city, town or village where the Project Facility is or is to be located, and to cause notice of such Public Hearing to be given to the public by publishing a notice or notices of such Public Hearing in a newspaper of general circulation available to the residents of the governmental units where the Project Facility is or is to be located, such notice or notices to comply with the requirements of Section 859-a of the Act and shall be at least thirty (30) days prior to the date of such Public Hearing; (C) to cause notice of the Public Hearing to be given to the chief executive officer of the county and of each city, town, village and school district in which the Project Facility is or is to be located to comply with the requirements of Section 859-a of the Act; (D) to conduct or cause the holding of such Public Hearing; (E) to cause a report of the Public Hearing fairly summarizing the views presented at such Public Hearing (the "Report") to be prepared; and (F) to cause a copy of the Report to be made available to the members of the Agency.

Section 2. Having considered both the Application, the Pilot Request and the Policy, the Agency hereby authorizes the Chair, the Vice Chair or any Officer of the Agency, to send a written notice to the chief executive officers of each of the Affected Tax Jurisdictions informing them that (A) the Agency is considering a proposed deviation from the Policy with respect to the Project and the reasons therefore (in substantially the form of the draft of said letter attached hereto as Exhibit A); (B) soliciting any comments that such Affected Tax Jurisdictions may have with respect to said proposed deviation; and (C) inviting attendance of the of any representative of the Affected Tax Jurisdictions to attend the Public Hearing.

Section 3. The Chair, the Vice Chair and/or any Officer of the Agency is hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 4. All action taken by the Chair, the Vice Chair and/or any Officer of the Agency in connection with the Public Hearing with respect to the Project prior to the date of this Resolution is hereby ratified and confirmed.

Section 5. This Resolution shall take effect immediately.



The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Christina Amato	VOTING	YES
Gregory Nato	VOTING	YES
Michael Neppi	VOTING	YES
Alexandra Church	VOTING	YES
Vickiana DeMora	VOTING	YES
Sharonda Powell	VOTING	YES

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK                    )  
  ) SS.:  
COUNTY OF ORANGE                 )

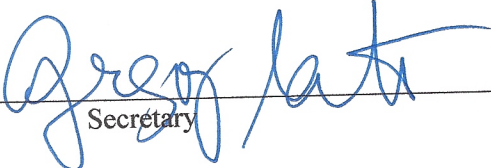
I, the undersigned Secretary of the City of Newburgh Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY that

I have compared the foregoing annexed extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on October 21, 2024 with the original thereof on file in my office, and that the same is a true and correct copy of said original and of such Resolution contained therein and of the whole of said original so far as the same relates to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respects duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public, and due notice of the time and place of said meeting was duly given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present throughout said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 28 day of October 2024.

  
Secretary

(SEAL)

**EXHIBIT A**

NOTICE OF DEVIATION TO THE AFFECTED TAX JURISDICTIONS ISSUED IN ACCORDANCE  
WITH AGENCY RESOLUTION DATED OCTOBER 21, 2024

CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY  
83 Broadway, Third Floor  
Newburgh, New York 12551-1298  
Tel: 845-569-7369

October \_\_, 2024

**CERTIFIED MAIL – RETURN RECEIPT REQUESTED**

The Honorable Steven M. Neuhaus  
County Executive of Orange County  
Orange County Government Center  
255 Main Street  
Goshen, New York 10924

Jackielyn Manning Campbell.  
Superintendent of Schools  
Newburgh Enlarged School District  
124 Grand Street  
Newburgh, New York 12550

The Honorable Torrance Harvey, Mayor  
City of Newburgh  
83 Broadway  
Newburgh, New York 12551

Christine M. Bello, Board President  
Newburgh Enlarged School District  
124 Grand Street  
Newburgh, New York 12550

The Honorable Todd Venning, City  
Manager  
City of Newburgh  
83 Broadway  
Newburgh, New York 12551

The Honorable Giselle Martinez, Council  
Member, City of Newburgh  
83 Broadway  
Newburgh, New York 12550

The Honorable Ramona Monteverde,  
Council Member, City of Newburgh  
83 Broadway  
Newburgh, New York 12550

The Honorable Robert Sklarz, Council  
Member, City of Newburgh  
83 Broadway  
Newburgh, New York 12550

**ADDRESSEES CONTINUED**

October \_\_, 2024

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The Honorable Patty Sofokles, Council  
Member, City of Newburgh  
83 Broadway  
Newburgh, New York 12550

The Honorable Robert McLymore, Council  
Member, City of Newburgh  
83 Broadway  
Newburgh, New York 12550

The Honorable Omar Shakur, Council  
Member, City of Newburgh  
83 Broadway  
Newburgh, New York 12550

RE: Proposed Deviation from Uniform Tax Exemption  
policy by the City of Newburgh Industrial  
Development Agency ("Agency") in connection with  
its Proposed Scobie Industrial Partners, LLC Project

Honorable Sir/Madame:

This letter is delivered to you pursuant to Section 874(4)(b) of the General Municipal Law (the "Act").

Scobie Industrial Partners, LLC, a New York limited liability company, or such other person(s) or entities as may be designated by the Company and agreed upon by the Agency (collectively, the "Company"), submitted an application to the Agency, as amended (collectively, the "Application"), a copy of which Application is on file at the office of the Agency and available at the Agency website (<https://www.cityofnewburgh-ny.gov/505/Industrial-Development-Agency-IDA>), requesting that the Agency consider undertaking a project (the "Project") for the benefit of the Company, said Project consisting of the following: (A) the acquisition of an interest in a parcel of real property consisting of approximately 15.24 acres located at 5 Scobie Drive, Newburgh, New York (the "Land"), (2) the remediation of hazardous waste present on the Land pursuant to the Remedial Action Work Plan developed by the Company and approved by the New York State Department of Environmental Conservation ("DEC"), (3) the construction and improvement of a new warehouse distribution building on the Land totaling approximately 125,000 square feet (the "Facility"), and (4) the acquisition and installation therein and thereon of related fixtures, machinery, equipment and other tangible personal property (collectively, the "Equipment") (the Land, the Facility, and the Equipment hereinafter collectively referred to as the "Project Facility"), (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales and use taxes, real property taxes, real estate transfer taxes and mortgage recording taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency.

At its regular meeting held on October 21, 2024, the Company made a request to the Agency (the "Pilot Request") to enter into a payment in lieu of tax agreement (the "Proposed Pilot Agreement") which terms deviate from the Agency Uniform Tax Exemption Policy (the "Policy"). (Capitalized terms not otherwise defined herein are defined in the Policy which can be viewed at <https://www.cityofnewburgh-ny.gov/industrial-development-agency/pages/ida-projects>.) At its October 21, 2024 regular meeting, the Agency approved a Public Hearing Resolution. The Public Hearing to consider the Project and the deviation from the Policy is scheduled for **November \_\_, 2024**.

Pursuant to Section 874(4) of the Act, and in accordance with the Policy, prior to taking final action on the Pilot Request for a deviation from the Policy, the Agency must adopt a resolution setting forth, with

respect to the proposed deviation: (a) the amount of the proposed Tax Exemption, (b) the amount and nature of the proposed PILOT, and (c) indicating the reasons for the proposed deviation. At its regular meeting held on October 21, 2024, the Agency approved the issuance of this letter setting forth the reasons of the proposed deviation from the Policy as required by the Act and the Policy.

The Proposed Pilot Agreement would be for a term of up to 15 years, with the Company making the payments in each year as a Pilot Payment as follows:

[DRAFT - TO BE FINALIZED AFTER COMMENTS RECEIVED]

<b>PILOT TAX YEAR</b>	<b>PILOT PAYMENT DUE</b>	<b>APPROXIMATE PILOT PERCENTAGE*</b>
1	\$26,170	0%
2	\$26,825	0%
3	\$62,957	85%
4	\$64,531	85%
5	\$66,145	85%
6	\$93,258	75%
7	\$95,589	75%
8	\$97,979	75%
9	\$127,845	65%
10	\$131,041	65%
11	\$134,317	65%
12	\$167,200	55%
13	\$171,380	55%
14	\$175,665	55%
15	\$211,851	45%
16 and Thereafter	Full Tax	0%

\*For illustrative purposes only.

The purpose of this letter is to inform you of (i) the Pilot Request, (ii) the proposed deviation from the Policy, and (iii) that the Agency is considering whether to grant the Pilot Request and to approve a Proposed Pilot Agreement conforming to the terms of the Pilot Request. The Agency expects to consider whether to approve the terms of the Proposed Pilot Agreement at the Public Hearing. The Public Hearing will also serve as the initial Public Hearing so that the Agency can hear comments from the public on the proposed financial assistance being considered for the Project. You are encouraged to submit written comments to the Agency prior to or at the hearing date on November , 2024. This letter is forwarded to you for purposes of complying with Section 874 of the Act and the Policy, which requires notice prior to the Agency taking final action with respect to the Proposed Pilot Agreement (if said Proposed Pilot Agreement may deviate from the provisions of the Policy).

The Agency has considered the following factors in considering the proposed deviation from the Policy:

1. The nature of the Project: Remediation of a brownfield site and the development, construction and improvement of one (1) new a new warehouse distribution building on the Land totaling approximately 125,000 square feet.
2. The present use of the property: vacant land. The proposal would transform this vacant contaminated land into a vibrant business bringing jobs and sales tax revenue to the City.
3. The economic condition of the area at the time of the request of the Company and the economic multiplying effect that the Project will have on the area: At the time of the filing of the Application, the economic condition of the area in which the Project Facility is to be located is distressed.
4. New revenue from development of the Project is projected to be (in accordance with the Agency Cost-benefit Analysis): \$1,652,754 in new tax revenue; \$18,787 in sales tax revenue related to construction; \$220,955 in sales tax revenue related to operating the Project Facility during the period of the proposed PILOT.
5. The extent to which the Project will create or retain permanent, private sector jobs and the number of jobs to be created or retained and the salary range of such jobs:
  - (a) In the Application, the Company's Application anticipates that the Project will create approximately 20 jobs (professional, managerial, semi-skilled and unskilled) in the first year of development, which is expected to be maintained through the second year of development. Upon completion of the Project, it is estimated that the anticipated employment at the Project will generate approximately \$1.9 million in wages annually.
  - (b) The construction phase of the Project is anticipated to create approximately 23 direct, on-site construction jobs and 12 indirect jobs. Combining direct and indirect impacts, the construction phase of the Project is expected to create 35 jobs that are expected to generate approximately \$2.9 million in wages. The Applicant has indicated that the majority of the construction jobs will be filled by local labor in compliance with the Agency's Local Labor Policy.
6. The estimated value of new tax exemptions to be provided: Real property tax exemption benefit of approximately \$2,395,955 (estimated per the Agency Cost-Benefit Analysis);

mortgage recording tax exemption of approximately \$212,310 (per the Application); and sales tax exemption benefit of approximately \$914,625 (per the Application).

7. The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions: The economic impact of the Proposed Pilot Agreement on affected tax jurisdictions is positive. The existing assessments at the Project site will be paid in full for the first time in decades. The proposed PILOT Agreement will apply to the improvements made to the Project site and will result in an inflow of net revenue to the City, the County and the School District where today there is none. The development of the Project Facility is expected to result in local construction jobs, the creation of permanent jobs and the development of additional retail.

8. The impact of the Proposed Pilot Agreement on existing and proposed businesses and economic development projects in the vicinity: The impact of the Project is a positive one on the community. The area around the Project is deteriorated due the land included in the Project being contaminated and vacant.

9. The amount of private sector investment generated or likely to be generated by the Proposed Pilot Agreement: \$26,300,000.

10. The effect of the Proposed Pilot Agreement on the environment: The Project is consistent with prior approvals for similar sites which previously determined that there would be no detrimental impact on the environment.

11. Project timing: Anticipated to be completed within two (2) years of the commencement date of approximately third or fourth quarter 2026.

12. Development/redevelopment impacts: The Project will bring a productive use to a vacant land with limited development options due to its contaminated state.

13. Type of development: The Project consists of the construction and development of one (1) new building on the Land totaling approximately 125,000 square feet for use as a warehouse distribution facility.

14. Creation of jobs: Upon its completion, the Project will bring approximately twenty-four (24) new direct and indirect permanent jobs to the surrounding area.

The Agency will consider the Proposed Pilot Agreement (and the proposed deviation from the Policy) at the Public Hearing. The Agency would welcome any written comments that you might have on this proposed deviation from the Policy. In accordance with Section 874(4)(c) of the Act, prior to taking final action at the Public Hearing, the Agency will review and respond to any written comments received from any affected tax jurisdiction with respect to the proposed deviation. The Agency will also allow any representative of any affected tax jurisdiction present at the Public Hearing to address the Agency regarding the proposed deviation from the Agency's Uniform Tax Exemption Policy.

If you have any questions or comments regarding the foregoing, please do not hesitate to contact me at the above telephone number.

Sincerely,



October \_\_, 2024

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\_\_\_\_\_, Chair  
City of Newburgh  
Industrial Development Agency