

The Board of Directors of the Newburgh IDA met on Wednesday, February 26 at 6:36 pm at 401 Washington Street, Newburgh, NY 12550.

Present:

Board Members: Michael Neppl, Chair

Gregory Nato, Secretary Vickiana DeMora, Treasurer Alexandra Church, Vice Chair Christina Amato, Member

Sharonda Powell, Member - Absent

Staff: Cherisse Vickers, Executive Director

Adriana Huaynalaya, Financial Administrator

Counsel: Robert J. McLaughlin, Esq., Whiteman Osterman & Hanna LLP

Guests: Philippe Pierre, 104 Washington Street LLC.

Andrew Schrijver, Liberty Street Apartments LLC.

Sisha Ortuzar, 191 Washington Street LLC. Erick Cooney, 191 Washington Street LLC.

- 1. **Roll Call:** Michael Neppl, Chairman called the meeting to order at 6:36 pm. A quorum was declared to be met.
- 2. **Proof of Meeting Notice:** Michael Neppl, Chairman observed that the Notice of the meeting was properly sent and accepted.
- 3. <u>Public Hearing Scobie Industrial Partners, LLC:</u>

Postponed.

4. **Public Hearing Shaw Building, L.P:** 

February 26, 2025, Board Meeting Minutes

Postponed.

# 5. Reading and Approval of January 22, 2025 Meeting Minutes:

Meeting Minutes from the board meeting of January 22, 2025, were distributed to the board via e-mail.

#### Motion to approve January 22, 2025 meeting minutes as presented:

Ms. Church: Motion to approve the minutes

Mr. Nato: Motion seconded

Ms. DeMora: Abstain

**VOTE: Unanimously passed with one abstention** 

# 6. Report of the Treasurer; Approval of Payment of Bills:

Vickiana DeMora presented the January Treasurer's Report to the board.

#### Motion to approve January 2025 Treasurer's Report

Ms. Church: Motion to approve Mr. Nato: Motion seconded **VOTE: Unanimously passed** 

#### Motion to approve January 2025 Bill Payments

Ms. DeMora: Motion to approve (Checks 1310, 1311, 1312, 1313, 1314, 1316, 1317, 1318,

1319, 1320)

Ms. Church: Motion seconded **VOTE: Unanimously passed** 

### 7. Chairman's Report:

Mr. Neppl mentioned to the board this meeting would be first time we are live streaming the board meeting. The chair is hopeful that more members of the public will attend. The two public hearings that were scheduled for tonight will be moved to March.

#### 8. **Counsel's Report:**

Mr. McLaughlin shared with the board that there is no movement on the cell tower and is hopeful that next month there will be draft to the lease. Mr. McLaughlin will create adjournment hearing notices for the two public hearings that were postponed. There is no update with Brookfield and is hopeful the project can close at the end of the quarter.

Mr. McLaughlin will not be at next month's meeting and David Craft will come in his place.

# 9. **Executive Director's Report:**

Ms. Vickers mentioned the audit was completed and is expecting to receive the audit draft by Monday. A meeting can be scheduled with the Audit/Finance committee to review and present at the March meeting. Ms. Vickers has also been in contact with MRB for the UTEP revision, the consultant suggested a four-hour retreat. Ms. Vickers will share dates and times at which most of the board members can attend.

# 10. New Business:

Resolution # 2025-02-26-01 Award of Structural Engineer RFP

In accordance with the Labor Policy, the Agency solicited responses from qualified firms pursuant to a Request for Proposals for Professional Engineering Services ("RFP"), dated December 18, 2024, to provide professional engineering services and generate an engineering report for the Agency's property located at 145 Broadway, Tax Map No. 36.-3-1.2, City of Newburgh, Orange County, New York (the "Property"), which is used for office purposes

Ms. Vickers pointed out to the board the spreadsheet with the RFP responses. For the benefit of those in attendance, Ms. Vickers shared the background of the resolution. Ms. Amato asked if a member of the Agency walked around with the engineers. Ms. Vickers responded no, the pictures Ms. Vickers received were shared with the applicants. Mr. Neppl asked based on the pictures the Agency received if there is reason to believe the alleged structural problems requiring investigation would require particularized knowledge other than a structural engineer. Ms. Amato responded not to her knowledge. Ms. Amato highlighted this RFP is for an assessment and not to make any repairs. Ms. Vickers confirmed this is just to address the concerns. RFP will be awarded to Barton and Loguidice as the lowest bidder.

Ms. Church: Motion to approve Ms. DeMora: Motion seconded

A roll call was taken for the vote.

Mr. Neppl: Yes Ms. Church: Yes Ms. DeMora: Yes Mr. Nato: Yes Ms. Amato: Yes Ms. Powell: Absent

**VOTE: Unanimously passed** 

## 11. Old Business:

Following the public comment from the public hearings held at last month's meeting, Mr. Neppl gave the board an opportunity to pose any additional questions. Ms. Church gave her general comment and after Ms. Amato gave her general comment.

Review of public hearing for 104 Washington Street, LLC

Ms. Church shared her general comment acknowledging that prior approvals for the projects had been granted and that reversing them could cause significant delays and financial strain. Ms. Church also encouraged the board to update the Agency's UTEP, ensuring a clearer framework for future applications and suggested automatic rejection of projects seeking tax relief under New York State Private Housing Finance Law (Sections 572 and 577) and sent to the City for review.

Ms. Amato shared her general comment recognizing the importance of these developments and expressing concerns that granting tax exemptions would shift the financial burden to existing taxpayers and agreed to Ms. Church's suggestion of a temporary moratorium on new tax relief applications deviating from current policy, allowing time to update the Uniform Tax Exemption Policy (UTEP). Ms. Amato also highlighted that the Agency should focus on commercial development rather than housing.

Mr. Neppl stated that stating that increasing downtown residential density would benefit local businesses and attract more economic activity and while the Agency is a separate entity, it should generally align with the City Council's economic development objectives to maintain consistency in policy decisions.

Mr. McLaughlin stressed the Agency should follow the direction of the appointing authority. Mr. Nato stated he has never heard of any plan from the City Council and how the Agency got to the point where the Agency's UTEP is now. Mr. Neppl responded that this was a question for the previous members of the board and newly appointed members are seeking now to update the Agency's UTEP.

Ms. Church asked Mr. Pierre how he determined the term of the amended PILOT. Mr. Pierre responded it was commensurate with the level of and type of funding that the project is receiving from other agencies which stipulate 30- year affordability for those funds. Ms. Church asked if Mr. Pierre had considered splitting the commercial and residential portion of the project. Mr. Pierre mentioned it was not the path he was advised to choose and is not partial to whom grants the PILOT.

Ms. Amato asked Mr. Pierre how much he will be receiving from the Momentum Grant. Mr. Pierre said he was awarded \$3,500,000. Ms. Amato asked how much of the grants

are part of Mr. Pierre's equity, Mr. Pierre mentioned all other funding is structured as debt. Ms. Amato asked Mr. Pierre's exit strategy, he responded it is to hold for the long term. Regarding the development fee, Ms. Amato asked if it is achieved through the construction loan or if it comes over a period of time. Mr. Pierre responded that some of the fees are earned up front, and the rest is paid out through operational cash flow. Mr. Church asked counsel if it is possible for the draft PILOT to include language that ensures the affordability for the entire term of the PILOT. Mr. McLaughlin responded it can be considered and other counties that have done so have difficulty maintaining a developer to manage the project for the entire PILOT.

Review of public hearing for Liberty Street Apartments, LLC

Ms. Church shared her general comment regarding the confusion surrounding the project at 1 Lafayette St and clarified that parcel 40-4-1 (1 Lafayette St.) is owned by the Palisades Interstate Park Commission and is not eligible for tax relief, remaining fully tax-exempt. Ms. Church expressed frustration with the ongoing confusion caused by Liberty Street Apartments (the project under review) and stressed the need for clarity.

Mr. Neppl asked Mr. Schrijver to highlight some key points about the project. Mr. Schrijver shared with the board the process involved a year-and-a-half negotiations to reach an agreement with the parcel owner. Mr. Schrijver worked with three city boards, the ARC, and SHPO (for historic site approval). Mr. Schrijver is focused on improving the streetscape to benefit the surrounding area, ensuring pedestrian pathways, and creating a project that supports both housing and retail. The project consists of 145 units, with 128 affordable units (30% to 80% AMI) and 18 market-rate units. The project also includes 11,000 square feet of retail space. The site, a former factory complex that burned down in 1981, has been vacant since then and was previously seen as a critical economic development project for the City. The vacant parcel generates approximately \$9,321 in taxes annually, and the project is expected to bring over \$8 million in tax revenue over its 30-year lifespan.

Ms. Amato shared concerns about the project's timing and the requested PILOT terms and questioned the project's tax credits, the length of the PILOT request, and whether the commercial and residential components had been considered separately for different approvals. Mr. Schrijver explained that the project follows the 4% tax credit deal, with state-provided tax credits and that the PILOT request aligns with the requirement to secure financing, which was structured to ensure the project's feasibility. Mr. Schrijver also clarified that the tax credit deal would span 15 years, but lenders require certainty about tax liability for a 30-year term, hence the extended PILOT request.

Ms. Amato asked Mr. Schrijver about the developer fee, which is \$7.3 million. Mr. Schriver explained the breakdown of the fee, which is in line with industry standards and necessary due to the additional costs of building affordable housing. Ms. Amato

questioned the development fee and the impact on taxpayers, expressing concerns about City residents subsidizing housing while struggling with their own housing costs and the fairness of the project's financial structure, considering the size of the developer fee and the substantial tax breaks. Mr. Schriver explained that the additional construction costs for affordable housing make it financially unfeasible to build market-rate units in the same area and emphasized the project's goal to provide affordable housing in a location with no existing market-rate projects. Ms. Amato also expressed concern about the \$7.3 million developer fee and the loss of tax revenue for the City, suggesting that the funds could be better utilized for direct support to City residents.

Mr. Neppl highlighted that the affordable housing component is crucial for the City and that the investment will ultimately help revitalize downtown Newburgh. Ms. Amato raised questions about the project's public hearing and the clarity of the deadline for submitting written comments. Mr. McLaughlin clarified that the public hearing remains open until the board reaches a resolution. Counsel acknowledged some confusion about a deadline that was circulated and reassured that the public comment period is still active.

Review of Resolution No. 2023-06-12-7 (191 Washington Street LLC Project)

Mr. McLaughlin shared with the board this project was approved for financial assistance in 2023. The assistance was \$6.1 million which includes \$652,000 in sales tax exemption, \$5.2 million in a PILOT and \$250,000 in mortgage recording tax. There was a deviation from the UTEP and the PILOT was approved for 15 years. The financing was contingent on the approving resolution, which required commencement of the project within 24 months of the approving resolution, which means the project must commence by June of this year. Attorneys for the developer contacted counsel about two weeks ago and confirmed they are ready to proceed. It is counsel's recommendation to advise the board that the developer seeks to close the matter in the coming weeks.

Mr. Neppl shared with those in attendance this project is a mixed use/adaptive reuse project from a long abandoned former school building. Mr. Ortuzar confirmed as stated the project involves the renovation of an existing school building and the construction of two new buildings on the adjacent lot that will include 70 residential units and 14,000 square feet of commercial space, half of which will a brewery and the rest will be used for retail. The project, initially planned to be market-rate, will now be 100% affordable housing. Mr. Neppl asked counsel if there was an official action the board need to take at this time. Mr. McLaughlin informed the board that no official action is required at this time. The project was placed on the agenda for informational purposes with the goal to ensure the board, including new members, of the project and its developments. There is no objection from the board regarding proceeding with the project, and the developer will work with counsel to close the matter as soon as possible.

# 12. **Adjournment**

A motion to adjourn was made by Ms. Church and seconded by Ms. DeMora. Unanimously passed at 8:24 pm.

#### CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY TREASURER'S REPORT FEBRUARY 26, 2025 MEETING JANUARY

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Opening Balance As of January 1, 2025 \$602,727.22

from bank statement

<u>Deposits</u>	<u>Payor</u>	<u>Amount</u> <u>Remarks</u>
	1/2/2025 T-Mobile	5,416.49
	1/2/2025 AT&T	3,996.71
	1/3/2025 Central Hudson	2,285.51
	1/29/2025 Dish Network	1,500.00
	1/29/2025 Mid Hudson Times	0.01 Account Verification
	1/29/2025 Mid Hudson Times	0.01 Account Verification
	1/31/2025 Interest Paid	1,375.87 Interest Rate 3.30%

#### TOTAL DEPOSITS 2847 \$14,574.60

#### **Disbursements**

	<u>Payee</u>	<u>Amount</u> <u>Remarks</u>
Check #1310	1/1/2025 NYS EDC	1,000.00 Membership renewal
Transfer	1/7/2025 Payroll Account #8243	135,000.00 Estimated payroll for 2025
Check #1311	1/7/2025 Adriana Huaynalaya	114.47 Reimbursed expenses
Check #1312	1/7/2025 Standard Security Life Insurance Co.	423.01 Disability/ Paid Family Leave Insurance renewal
Check #1313	1/22/2025 Phanatiks Entertainment	1,000.00 Board Meeting recording
Check #1314	1/22/2025 Cherisse Vickers	75.20 Reimbursed expenses
Check #1316	1/22/2025 Whiteman Osterman & Hanna LLP	8,038.38 Invoice 751709, 751714, 751715, 751718
Check #1317	1/22/2025 ODP Business Solutions	150.52 Office supplies
Check #1318	1/22/2025 MRB Group	1,473.00 Invoice 65290
Check #1319	1/24/2025 Adriana Huaynalaya	115.04 Reimbursed expenses
Check #1320	1/24/2025 William Smith & Son, Inc.	1,030.00 General Liability Insurance Renewal
ACH	1/29/2025 Gannett New York-New Jersery LocaliQ	137.44 Middletown Times Herald Record Hearing Notice Shaw Building
ACH	1/29/2025 QuickBooks Online	70.28 Monthly payment
ACH	1/29/2025 Mid Hudson Times	0.01 Account Verification
ACH	1/29/2025 Mid Hudson Times	0.01 Account Verification
ACH	1/31/2025 Mid Hudson Times	198.52 Mid Hudson Times Hearing Notice Shaw Building

#### TOTAL CHECKS & DISBURSEMENTS 2847 \$148,825.88

**Closing Balance** As of January 31, 2025 **\$468,475.94 Op Acct #2847** 

PAYROLL Acct #8243

Opening Balance As of January 1, 2025 \$26,841.31

Debit 1/3/2025 Gusto 125.99 FUTA tax for 2024

Debit 1/6/2025 Payroll Fees December 24 56.23

Credit 1/7/2025 Checking Account 2847 135,000.00 Estimated Payroll for 2025

Debit 1/8/2025 Net Pay (part of gross wages) 3,827.06 12/23/24-01/05/25

Debit 1/8/2025 Employer Payroll Tax + Employee WH (part of gross wages) 1,672.52 12/23/24-01/05/25
Debit 1/22/2025 Net Pay (part of gross wages) 3,827.05 01/06/25-01/19/25

Debit 1/22/2025 Employer Payroll Tax + Employee WH (part of gross wages) 1,672.54 01/06/25-01/19/25

Total Monthly Payroll Expense 11,181.39

Credit 1/31/2025 Interest Paid 357.50 Interest Rate 3.30%

Closing Balance As of January 31, 2025 \$151,017.42 Payroll Acct #8243

**APPLICATIONS FUND Account #2855** 

**Opening Balance** As of January 1, 2025 **\$14,151.44** 

**Closing Balance** As of January 31, 2025 **\$14,151.44 App Fund Acct #2855** 

LESSOR/TENANT Account #2863

Opening Balance As of Januray 1, 2025 \$2,516.79

Interest Income 1/31/2025 Interest Paid \$6.95 Interest Rate 3.30%

Closing Balance As of January 31, 2025 \$2,523.74 Lessor Acct #2863

LABOR MONITORING Account #7072

Opening Balance As of January 1, 2025 \$15,014.79

Closing Balance As of January 31, 2025 \$15,014.79 Labor Monitor Acct #7072

**MONEY MARKET Account #2871** 

**Opening Balance** As of January 1, 2025 **\$1,284,108.81** 

Interest Income 1/31/2025 Interest Paid 3,544.49 Interest Rate 3.30%

**Closing Balance** As of January 31, 2025 **\$1,287,653.30 MM Acct #2871** 

**NEWBURGH SOUTH LOGISTICS CENTER Account #6521** 

Opening Balance As of January 1, 2025 \$48.21

**Deposits** 

1/9/2025 Brookfield Properties 4,941.00 Deposit for W.O.H Invoice 746340

Interest Income 1/31/2025 Interest Paid 6.29 Interest Rate 3.30%

TOTAL DEPOSITS 6521 \$4,947.29

**Disbursements** 

Check #1013 1/13/2025 Whiteman Osterman & Hanna LLP 4,941.00 Invoice 746340

TOTAL CHECKS & DISBURSEMENTS 6521 \$4,941.00

Closing Balance As of January 31, 2025 \$54.50 NSLC Acct #6521

PROVIDENT BANK Account #4346

Opening Balance As of January 1, 2025 \$0.00

Closing Balance As of January 31, 2025 \$0.00 PROVIDENT BANK Account #4346

**PROVIDENT BANK Account #5683** 

**Opening Balance** As of January 1, 2025 \$4,258,821.87

Interest Income 1/17/2025 Interest Paid \$52,785.73 Interest Rate 4.85%

Closing Balance As of January 31, 2025 \$4,311,607.60 PROVIDENT BANK Account #5683

# CITY OF NEWBURGH INDUSTRIAL DEVELOPMENT AGENCY

# Resolution No. 2025-02-26-01

# RESOLUTION AWARD OF STRUCTURAL ENGINEER REQUEST FOR PROPROSAL

A regular meeting of City of Newburgh Industrial Development Agency (the "Agency") was convened in public session at the Newburgh Activity Center, 401 Washington Street, Newburgh, New York on February 26, 2025, at 6:30 o'clock p.m., local time.

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

### PRESENT:

Michael Neppl Alexandra Church Vickiana DeMora Gregory Nato Christina Amato

Chair Vice Chair

Treasurer Secretary Member

#### ABSENT:

Sharonda Powell

Member

#### AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Cherisse Vickers Adriana Huaynalaya Robert J. McLaughlin, Esq. Executive Director Financial Administrator

Agency Counsel

The following resolution was offered by Alexandra Church, seconded by Vickiana DeMora, to wit:

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 industrial, manufacturing, warehousing, commercial, and research and recreation 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, under Section 858 of the Act, the Agency is authorized and empowered to make contracts and leases, and to execute all instruments necessary or convenient to or with any person, firm, partnership or corporation, either public or private; and

WHEREAS, the Agency solicited responses from qualified firms pursuant to a Request for Proposals for Professional Engineering Services ("RFP"), dated December 18, 2024, to provide professional engineering services and generate an engineering report for the Agency's property located at 145 Broadway, Tax Map No. 36.-3-1.2, City of Newburgh, Orange County, New York (the "Property"), which is used for office purposes; and

WHEREAS, the Agency received three (3) responses to the RFP.

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

- <u>Section 1</u>. The Agency hereby engages Barton & Loguidice, D.P.C., (the "Engineer") to provide professional engineering services to the Agency upon a contract to be agreed to between the Agency and the Engineer.
- Section 2. The Chairperson and the Executive Director of the Agency are each hereby authorized to take all reasonable actions necessary to implement the provisions hereof.
  - Section 3. This Resolution shall take effect immediately.

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

Michael Neppl	VOTING	$\underline{\text{YES}}$
Alexandra Church	VOTING	<u>YES</u>
Vickiana DeMora	VOTING	$\underline{\text{YES}}$
Gregory Nato	VOTING	<b>YES</b>
Christina Amato	VOTING	<u>YES</u>
Sharonda Powell	VOTING	<b>ABSENT</b>

The foregoing resolution was thereupon declared duly adopted.

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

I, the undersigned Secretary of City of Newburgh Industrial Development Agency (the "Agency"), do hereby certify that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency held on February 26, 2025 with the original thereof on file in my office, and that the same is a true and correct copy of said original 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 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.

day of \_\_\_\_\_\_, 2025. WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this \_\_\_\_\_

(SEAL)