

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY

Resolution No. 2025-06-30-07

RESOLUTION ACKNOWLEDGING THE EXPIRATION OF THE APPROVING RESOLUTION NO. 2023-06-12-07 AND THE WITHDRAWAL OF THE FINANCIAL ASSISTANCE FOR THE 191 WASHINGTON STREET LLC PROJECT.

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 June 30, 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 Nepl	Chair
Alexandra Church	Vice Chair
Vickiana DeMora	Treasurer
Sharonda Powell	Acting Secretary

ABSENT:

AGENCY STAFF PRESENT INCLUDED THE FOLLOWING:

Cherisse Vickers	Executive Director
Adriana Huaynalaya	Financial Administrator
Robert J. McLaughlin, Esq.	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”) 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, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct, lease, improve, maintain, equip, and furnish one or more “projects” (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed, leased, improved, maintained, equipped and furnished, and to convey said projects or to lease said projects; and

WHEREAS, on April 13, 2022, 191 Washington Street 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 by letter dated October 18, 2022 (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 an approximately 40,000 square foot parcel of real property located at 191 Washington Street, Newburgh, New York (the “Land”), (2) the construction and improvement of two (2) new buildings on the Land totaling approximately 70,000 square feet to consist of twelve (12) residential units and commercial space including offices and a farm brewery (the “Facility”) and (3) 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; and

WHEREAS, by Resolution No. 2022-11-21-01 adopted by the members of the Agency on November 21, 2022 (the “First Public Hearing Resolution”), the Agency authorized a public hearing to be held pursuant to Section 859-a of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the First Public Hearing Resolution, the Chair and the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the “First Public Hearing”) pursuant to Section 859-a of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency with respect to the Project, to be mailed or hand delivered on November 29 and 30, 2022 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the First Public Hearing to be posted on November 29, 2022 on a public bulletin board located at the Newburgh City Hall located at 83 Broadway, City of Newburgh, Orange County, New York, (C) caused notice of the First Public Hearing to be published on December 2, 2022 in the Times Herald Record, a newspaper of general

circulation available to the residents of the City of Newburgh, Orange County, New York, (D) conducted the First Public Hearing on December 19, 2022 at 5:30 o'clock p.m., local time at offices of the City of Newburgh Industrial Development Agency located at City Hall, 83 Broadway, Orange County, Newburgh, New York, and (E) caused to be prepared a report of the First Public Hearing (the "First Public Hearing Report") fairly summarizing the views presented at such First Public Hearing and caused a copy of said First Public Hearing Report to be made available to the members of the Agency and the public by posting the same to the Agency website; and

WHEREAS, by Resolution No. 2023-01-18-03 adopted by the members of the Agency on January 18, 2023 (the "Second Public Hearing Resolution"), the Agency authorized a public hearing to be held pursuant to Sections 859-a and 874(4) of the Act with respect to the Project; and

WHEREAS, pursuant to the authorization contained in the Second Public Hearing Resolution, the Chair and the Executive Director of the Agency (A) caused notice of a public hearing of the Agency (the "Second Public Hearing", and together with the First Public Hearing, the "Public Hearings") pursuant to Section 859-a and 874(4) of the Act, to hear all persons interested in the Project and the financial assistance being contemplated by the Agency, as well as the proposed deviation from the Agency's Uniform Tax Exemption Policy, with respect to the Project, to be mailed or hand delivered on January 24, 2023 to the chief executive officers of the county and of each city, town, village and school district in which the Project Facility is to be located, (B) caused notice of the Second Public Hearing to be posted on January 24, 2023 on a public bulletin board located at the Newburgh City Hall located at 83 Broadway, City of Newburgh, Orange County, New York, (C) caused notice of the Second Public Hearing to be published on January 26, 2023 in the Times Herald Record, a newspaper of general circulation available to the residents of the City of Newburgh, Orange County, New York, (D) conducted the Second Public Hearing on February 22, 2023 at 6:00 o'clock p.m., local time at offices of the City of Newburgh Industrial Development Agency located at City Hall, 83 Broadway, Orange County, Newburgh, New York, and (E) caused to be prepared a report of the Second Public Hearing (the "Second Public Hearing Report") fairly summarizing the views presented at such Second Public Hearing and caused a copy of said Second Public Hearing Report to be made available to the members of the Agency and the public by posting the same to the Agency website; and

WHEREAS, in connection with the Application, the Company made a request to the Agency (the "Pilot Request") to deviate from the Agency's Uniform Tax Exemption Policy (the "Policy") with respect to the payments to be made under a 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 gave the chief executive officers of the County of Orange, and each city, town, village and school district in which the Project is located (collectively, the "Affected Tax Jurisdictions") prior written notice (the "Deviation Notice") of the proposed deviation from the Policy and the reasons therefore; and

WHEREAS, the Deviation Notice requested comments to be submitted at the Second Public Hearing; and

WHEREAS, the Second Public Hearing was kept open by the hearing officer for the submission of additional written public comments until the consideration of an approving resolution for the Project; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the “SEQR Act”) and the regulations adopted pursuant thereto by the Department of Environmental Conservation of the State of New York at 6 NYCRR Part 617 (the “Regulations”, and collectively with the SEQR Act, “SEQRA”), the Agency determined by Resolution No. 2023-06-12-05 adopted by the members of the Agency on June 15, 2023 that; (A) the Project constitutes an “Unlisted Action” (as said quoted term is defined in the Regulations) and therefore coordinated review and notification of other involved agencies is strictly optional; (B) the Agency not undertake a coordinated review of the Project, and not seek lead agency status with respect to the Project; (C) the Project will result in no major impacts and, therefore, is one which will not cause significant damage to the environment and therefore, that the Project will not have a significant effect on the environment, and the Agency will not require the preparation of an environmental impact statement with respect to the Project; and (D) as a consequence of the foregoing, the Agency has decided to prepare a negative declaration (“Negative Declaration”) with respect to the Project; and

WHEREAS, to aid the Agency in determining whether the Project qualifies for Financial Assistance as a commercial project within the meaning of the Act, the Agency reviewed the following (collectively, the “Project Qualification Documents”): (A) the Application; (B) the published Cost Benefit Analysis dated August 22, 2022 and prepared by the MRB Group at the request of the Agency and which is posted to the Agency website and which was discussed with the public at the First Public Hearing; (C) the published Test of Reasonableness dated August 18, 2022 and prepared by the MRB Group at the request of the Agency and which is posted to the Agency website and which was discussed with the public at the First Public Hearing; (D) the transcripts of the Public Hearings, respectively, and the public comments in support expressed thereat; and (E) copies of correspondence from governmental officials supporting the commercial/economic impacts of the Project (the “Local Support”); and

WHEREAS, pursuant to the Cost Benefit Analysis, the Project is projected to (A) create approximately 53 direct and indirect construction jobs at the Project Facility during the approximately 24 month construction period; (B) create approximately 35 direct and indirect ongoing jobs at the Project Facility once the Project facility is fully operational; and (C) projected to generate annual sales tax real property tax revenue to the City of Newburgh and Orange County of more than \$6.9 million cumulatively over a 15 year period after the Project Facility becomes operational; and

WHEREAS, pursuant to the Test of Reasonableness, the requested Financial Assistance is reasonable and will provide the Company (A) a reasonable, risk-adjusted internal rate of return;

and (B) permit an acceptable debt service ratio coverage for the Project for financing purposes; and

WHEREAS, during the Public Hearings, (A) approximately 16 public officials and members of the public spoke and provided their comments on the Project during the First Public hearing; (B) more than 26 letters, petitions and/or signatures in support (and in opposition) were received by the Agency and made a part of the public record of such First Public Hearing; and (C) no comments were received during the Second Public Hearing and no comments were received in connection with the proposed deviation by the Agency from the provisions of the Policy for the Project; and

WHEREAS, by further resolution adopted by the members of the Agency on June 12, 2023, pursuant to Resolution No. 2023-06-12-06 (the “Commercial/Retail Findings Resolutions”), the Agency determined, among other things, that the acquisition, construction and installation of the Project Facility is essential to the creation of new employment opportunities and is essential to the prevention of economic deterioration of businesses and neighborhoods located in the City of Newburgh and that the Project constitutes a “commercial” project within the meaning of the Act; and

WHEREAS, by further resolution adopted by the members of the Agency on June 12, 2023 pursuant to Resolution No. 2023-06-12-07 (the “Approving Resolution”), the Agency determined to grant the Financial Assistance and to enter into a lease agreement (the “Lease Agreement”) between the Agency and the Company and certain other documents related thereto and to the Project (collectively with the Lease Agreement, the “Basic Documents”); and

WHEREAS, the Approving Resolution requires the Company to close on the Financial Assistance and document to the Agency’s satisfaction the commencement of the construction of the Project Facility within twenty-four (24) months of the date of the Approving Resolution; and

WHEREAS, pursuant to the Approving Resolution, the Agency, through its special legal counsel, delivered the Basic Documents to the Company; and

WHEREAS, the Agency has requested that the Company close on the Financial Assistance approved in the Approving Resolution; and

WHEREAS, the Company advised, by way of submitting an amendment to the Application dated March 31, 2025, that it was seeking additional financial assistance by way of an increase to the Pilot Request; and

WHEREAS, the Agency has determined that new requests for payment in lieu of tax agreements related to housing projects shall be considered and issued by the City of Newburgh; and

WHEREAS, the Company has elected not to close on the Financial Assistance in the twenty-four (24) months since the Agency adopted the Approving Resolution; and

WHEREAS, the Agency has determined to withdraw the Financial Assistance due to the lack of interest from the Company to proceed with the Financial Assistance approved under the Approving Resolution.

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

Section 1. The Financial Assistance approved under the Approving Resolution is withdrawn.

Section 2. The Company shall remain responsible for the payment of all Agency fees, including the reasonable fees of the appointed special counsel Whiteman Osterman & Hanna LLP in accordance with the hold harmless agreement executed with the Application.

Section 3. This Resolution shall take effect immediately.

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

Michael Neppi	VOTING	<u>YES</u>
Alexandra Church	VOTING	<u>YES</u>
Vickiana DeMora	VOTING	<u>YES</u>
Sharonda Powell	VOTING	<u>YES</u>

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 June 30, 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 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 1st day of July 2025.



Secretary

(SEAL)