



City of Newburgh Council Work Session

6:00 pm

May 10, 2012

AGENDA

1. Presentations:
 - a. Mid-Broadway Development (3 presentations)
2. Finance Department:
 - a. (Res. 65) Budget amendment to provide the funding for water department phone system upgrades
 - b. (Res. 66) Renewal agreement with Paetec for the phone system upgrades at the water department
 - c. (Res. 67) Acceptance of donations for the Shade Tree Committee
3. Planning and Development/Real Estate:
 - a. Status of the Burton Towers – John Madeo, Mountco
 - b. Status of the draft termination agreement with Leyland
 - c. Organization of the Planning and Development Department
 - d. Real Property located at 13-15 Chambers Street
4. Discussion:
 - a. (Res. 68) Agreement with Orange County to participate in the 2012 Summer Youth Employment Program
 - b. (Res. 69) Scheduling a public hearing for May 29 regarding the City's Combined Sewer Overflow Long Term Control Plan
 - c. Shade Tree Commission - appointment of new member
 - d. Community Development Block Grant Advisory Committee – review candidates
5. City Manager Updates:
 - a. Pace Land Use Law Center – Information Session will be June 6 at 6:00 at City Hall
 - b. NYCOM Annual Meeting update
6. Executive Session:
 - a. Pending Litigation

RESOLUTION NO.: 65 - 2012

OF

MAY 14, 2012

RESOLUTION AMENDING RESOLUTION NO: 238-2011,
THE 2012 BUDGET FOR THE CITY OF NEWBURGH, NEW YORK
TO TRANSFER \$9,112.37 FROM CONTINGENCY TO
WATER ADMINISTRATION OTHER EQUIPMENT
TO PROVIDE FOR THE FUNDING TO PURCHASE EQUIPMENT
FOR THE WATER DEPARTMENT PHONE/NETWORK UPGRADE

BE IT RESOLVED, by the Council of the City of Newburgh, that Resolution No: 238-2011, the 2012 Budget of the City of Newburgh, is hereby amended as follows:

	<u>Decrease</u>	<u>Increase</u>
F.1900 Water	\$9,112.37	
1990 Contingency-Emergency		
F.8310 Water Administration		\$9,112.37
0205 Other Equipment		

RESOLUTION NO. 106 -2012

OF

MAY 14, 2012

**A RESOLUTION AUTHORIZING THE CITY MANAGER
TO EXECUTE A RENEWAL AGREEMENT WITH PAETEC
TO PROVIDE TELEPHONIC COMMUNICATIONS AND RELATED SERVICES
FOR THE CITY OF NEWBURGH AT A MINIMUM COST OF \$1,419.45 PER MONTH
FOR A TERM OF THIRTY SIX MONTHS**

WHEREAS, by Resolution No. 65 - 2009 of May 11, 2009, the City of Newburgh entered in to an agreement with PAETEC to provide local, switched LD, dedicated LD and point-to-point and related telephone communications services for more efficient conduct of government business; and

WHEREAS, PAETEC was identified by a competitive, comparative process to be the best qualified to provide such services including but not limited to customized and itemized billing procedures, efficient customer service, and that PAETEC is a preferred provider as designated by New York State; and

WHEREAS, such agreement will be expiring and the City of Newburgh wishes to renew such agreement for a term of thirty six (36) months; and

WHEREAS, by renewing said lease the City will be paying \$435.08 less per month than the current rate which will be an annual savings of \$5,220.96 for the first year, with a total savings over the 36 month term of \$15,662.88; and

WHEREAS, such funding for this service will be derived from the following budget lines: A.1670.0421, F.8310.0421, G.8130.421 and G.0000.0380.0080; and

WHEREAS, this City Council has determined that renewing such agreement is in the best interests of the City of Newburgh;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Newburgh, New York, that the City Manager be and he is hereby authorized to enter into a renewal agreement with PAETEC to provide telephonic communications and related services to provide for the more efficient conduct of government business in substantially the form attached hereto with such other provisions as the Information Services Manager and/or the Corporation Counsel may require, at a minimum cost of \$1,419.45 per month for a term of thirty six (36) months.



Opportunity # 584988, Quote # 706966

SERVICE AGREEMENT

600 WillowBrook Office Park
Fairport, NY 14450

This sets forth the terms of the Service Agreement ("Agreement") made this 13th day of April, 2012, by and between PAETEC, a Windstream company, and the CITY OF NEWBURGH, a New York Corporation ("Customer"). The term of this Agreement is for 36 months ("Term"). Customer agrees to a Minimum Monthly Fee of \$1,419.45. All services provided are subject to the terms and conditions below and on the attached Rate Schedule(s).

CUSTOMER INFORMATION

Customer Name: CITY OF NEWBURGH
Service Address: 22 GRAND ST, NEWBURGH, NY 12550-5626
Billing Address: 83 BROADWAY, NEWBURGH, NY 12550-5617
Contact Name: Glenn Kurcon **Contact Phone:** 845-569-7324 **Contact Fax:**

SERVICES BEING PROVIDED BY PAETEC TO CUSTOMER

Access Loop Switched 1+
Trunks

By signing this Agreement, the Customer hereby authorizes PAETEC to provide the Services listed herein and on any/all attachments. Each month Customer shall purchase at least the Minimum Monthly Fee amount set forth above, calculated prior to application of any taxes or surcharges.

This Agreement is subject to and controlled by PAETEC's federal and state tariffs as applicable, and/or by PAETEC's Standard Terms and Conditions of Service and the service specific terms and conditions as located at <http://www.paetec.com/about-us/notice>, as such tariffs and terms may be modified from time to time and all of which are hereby expressly incorporated by reference.

Information regarding Customer's rights and options pertaining to Customer Proprietary Network Information ("CPNI") is available at <http://www.paetec.com/notice/cpni.html>.

The individual signing the Agreement on behalf of Customer is duly authorized to do so.

Accepted By Customer	Authorized by PAETEC, a Windstream company
Signature: _____	Signature: _____
Printed Name: _____	Printed Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

This offer is voidable by PAETEC if not signed and returned to PAETEC by the 12th day of July, 2012.



RATE SCHEDULE

Opportunity # 584988, Quote # 706966

Location: CITY OF NEWBURGH, 22 GRAND ST, NEWBURGH, NY 12550-5626

Product	Product Category	Monthly Recurring Charge (MRC)	Monthly Recurring Quantity	Monthly Recurring Total	Non Recurring Quantity	Non Recurring Total
PRI T1	Voice	\$225.00	2	\$450.00	1	\$0.00
Direct Trunk Overflow Charge *	Voice	\$34.95	2	\$69.90	1	\$0.00
20 DID Station Numbers *	Voice	\$6.00	17	\$102.00	0	\$0.00
FSLC Charge *	Voice	\$6.70	10	\$67.00	0	\$0.00
On Net T1	Access	\$0.00	2	\$0.00	1	\$0.00
National Access Charge - Multi-Line Business *	Voice	\$3.48	111	\$386.28	0	\$0.00
TOTAL				\$1,075.18		\$0.00

Usage Bundles

Bundle	Minute Quantity	Toll			Inbound 8xx		
		In State	Regional	Out of State	In State	Regional	Out of State
Flat Rate LMS *****	50,000						

Usage Rates

Usage Type	Dedicated Rate	Switched Rate	Initial Increment	Additional Increment	Call Rounding
Regional Long Distance Charges	0.0250 ¹	0.0500 ¹	6 sec	6 sec	2 digit †
In State Long Distance Charges	0.0250 ¹	0.0500 ¹	6 sec	6 sec	2 digit †
Out of State Long Distance Charges	0.0250 ¹	0.0500 ¹	6 sec	6 sec	2 digit †
Local Measured Service Charges	0.0100 ¹				

Rates listed within the Usage Rates section are applicable for all locations, unless otherwise noted on the individual Service Location listing in the Usage Rates sub-section.

Notes: 1 - Per Minute 2 - Per Call 3 - Per Minute per Participant

* Rates are subject to change on 30 days notice via bill message on customer's invoice.

** Additional charges apply for all local, long distance and 8XX features, network access charge, router maintenance, CPE maintenance and directory listings. For the current features pricing, go to <http://www.paetec.com/about-us/notice>.

*** Amounts listed are reasonable approximations based on initial proposal. Actual amounts shall depend on final lease amount set forth in the Customer's Lease Agreement.

† Each call is billed to two decimal places and rounds the billed amount for each call up to the nearest whole cent.

***** The monthly recurring charges for Customer's loop access circuit(s) includes LMS usage capped at a cumulative total over all circuit(s) of 50,000 minutes per month. The Local per minute rates set forth in the "Usage Rates" section in this Rate Schedule shall apply to any usage in excess of the cap during a given month.

RESOLUTION NO.: 67 - 2012

OF

MAY 14, 2012.

A RESOLUTION AUTHORIZING THE CITY MANAGER
TO ACCEPT DONATIONS FOR THE
CITY OF NEWBURGH SHADE TREE COMMISSION

WHEREAS, various businesses, firms and individuals have made generous contributions for the Shade Tree Commission; and

WHEREAS, this Council deems it to be in the best interests of the City of Newburgh to accept such donations;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Newburgh, New York that the City Manager be and he is hereby authorized to accept said donations for the Shade Tree Commission with the appreciation and thanks of the City of Newburgh on behalf of its children, families and citizens.

**Burton Towers LLC
Status Report
May 1, 2012**

Background-

Burton Towers is a 126 unit residential development for senior citizens located at 36 Cerone Place in the City of Newburgh. It is an eight story masonry building of approximately 96,000 sq. ft., located on a property of almost 4 acres. It was originally developed in 1982 with funding from the U.S. Department of Housing and Urban Development (HUD), and all of the tenants receive Section 8 Assistance from HUD.

Over the last several years the property has been in decline. Maintenance has been deferred and mortgage payments, as well as PILOT payments and payments for water fees have not been made.

In 2010 HUD commenced an action to foreclose on its mortgage on the property.

Goal-

The City of Newburgh articulated three-fold goal regarding the Burton Towers Senior Citizen Development:

1. Ensuring that the existing tenants have a safe, decent and affordable living environment.
2. Receiving payment on outstanding municipal property tax bills and water fees.
3. Facilitating the development of a long-term plan to preserve and maintain Burton Towers on a sound financial footing.

City Actions-

After reviewing and evaluating proposals submitted by six developers to the City, on August 8, 2011, the Newburgh City Council enacted Resolution #161-2011 by which:

1. It authorized entering into a Contract to Purchase Burton Towers from HUD.
2. Mountco was approved to partner with the City in the redevelopment of Burton Towers.
3. It authorized entering into a Contract to Sell Burton Towers to Mountco or its designee.

On August 11th 2011, the City simultaneously executed two contracts: a Contract of Sale with the Secretary of the U.S. Department of Housing and Urban Development to exercise its Right of First Refusal to purchase the Burton Towers property; and a Contract of Sale to sell the Burton Towers property to Burton Towers LLC, (which had been designated by Mountco to serve as its single purpose entity to hold ownership of Burton Towers).

On September 30, 2011, HUD foreclosed on its mortgage on Burton Towers property and acquired title to that property. Pursuant to its August 11th Contract with the City, HUD conveyed title to Burton

Towers to the City of Newburgh for a \$1.00. Pursuant to its August 11th Contract with Burton Towers LLC, the City conveyed the Burton Towers property to Burton Towers LLC for \$1.00.

The City-Burton Towers LLC Contract also requires Burton Towers to invest not less than \$4,000,000 to renovate Burton Towers, pay a Municipal Impact Fee of \$200,000 to the City of Newburgh, and pay outstanding property taxes and water payments to the City in the amount of \$715,000.

On December 12, 2011, the City Council adopted a Resolution authorizing the City to enter into a PILOT Agreement with Burton Towers LLC. That agreement sets a first year payment of \$105,966.30, which is the amount that would have been due under the previous agreement for the 2012 year. Those payments escalate annually at 2.5%.

Redevelopment Plan-

Mountco's July 28th proposal to the City set forth a two-tiered Redevelopment Plan. The initial phase of the Plan was designed to stabilize building operations by undertaking some immediate emergency repair and renovation work. More specifically, this work was designed to remove any health and safety violations and create a better living environment for the tenants.

The second phase of the plan was to refinance the property so that a complete renovation of the buildings and grounds could occur. The Redevelopment Plan indicated that the ultimate financing for the project would be through the use of 4% Federal Tax Credits to be issued by the New York State Housing Finance Agency, and Tax Exempt Bonds which could be issued by any one of a number of different agencies.

Initial Stabilization Work-

Since taking title on September 30th Mountco immediately authorized the renovation and repair work to stabilize building operations. All of this work was undertaken under the direction and supervision of the new management company, Community Housing Management Corp. (CHMC), led by CHMC's President Mr. Eugene F. Conroy, and the project manager, Ms. Kathleen Shay. CHMC manages over 2,000 affordable housing units in the region and has an exceptional reputation with the U.S. Department of Housing and Urban Development and the New York State Department of Homes and Community Renewal.

CHMC retrained the existing maintenance staff, recertified the incomes of each household, and established appropriate tenant files and documentation for each household. CHMC undertook its own inspection of each unit and the common areas of the building and identified all work required to bring the property up to an acceptable condition. It then retained the necessary contractors to undertake that work, and supervised those contractors. To date over \$800,000 worth of rehabilitation work has been completed. Mountco has installed locks on the exterior doors, a new alarm system and intercom, exterior security cameras, a portion was repaired of the sewer line and a new retaining wall was constructed to stop erosion. Further, Mountco has made numerous cosmetic improvements to the individual apartments, including minor repairs and repainting each apartment in the building. Most importantly, Mountco has completely upgraded elevators so that they are fully operational.

HUD Housing Quality Standard (HQS)-

Based upon the renovation and repair work undertaken in the initial phase of the Redevelopment Plan, Mountco requested that representatives of HUD undertake an HQS inspection of the property. This inspection was undertaken by a HUD representative on February 1, 2012 at which time every unit was inspected to determine if it met HUD's Housing Quality Standards. Additionally, the common areas of the building were inspected for the same purpose. Burton Towers LLC was notified by HUD on or about February 8th that Burton Towers had passed the HUD inspection and that it met HUD's Housing Quality Standards.

While this represented a major improvement in the condition of the building, and although it has resulted in a significant improvement in the living conditions for the tenants, there is much more work necessary to completely renovate the property up to Mountco's standards.

Tax Credit and Tax Exempt Bond Financing-

The Redevelopment Plan as initially proposed to the City and HUD is to finance the project through 4% tax credits from the State, and tax exempt bonds which could be issued by any one of a number of agencies.

On March 30th Burton Towers LLC submitted its application for Federal Low Income Tax credits to the New York State Housing Finance Agency. That application is currently under review and it is anticipated that this application will be approved in late June or early July.

Burton Towers LLC has requested that the Newburgh Housing Authority (NHA) issue tax exempt bonds for this project. On December 8, 2011 the NHA adopted an initial Resolution in support of the issuance of the bonds for this project. On February 6, 2012, the Bond Counsel for the NHA requested that the New York State Department of Economic Development issue a Bond Cap Allocation for Burton Towers. On March 8th the NHA held a Public Hearing on the issuance of the bonds at which time no member of the public spoke in opposition to the project. It is anticipated that the NHA will schedule a meeting in May to vote on a formal Inducement Resolution for the issuance of the bonds. After that vote, the Bond Counsel for the NHA will work with the City of Newburgh's Corporation Council to prepare any required Resolutions from the City Council on this matter.

It should be noted that, the Burton Towers bonds will not be an obligation of either the NHA or the City of Newburgh, but instead will be paid solely from the revenues of the Burton Towers project.

As part of its financing plan, Burton Towers LLC has received commitments from Raymond James Tax Credit Investment Inc. to provide equity financing for the property, and from Citibank Community Development to purchase the bonds.

It is anticipated that all required approvals from the New York State Housing Finance Agency and the New York State Department of Economic Development will be issued in July or August and the construction closing will occur at that time.

Rehabilitation Work-

As part of its Redevelopment Plan, Burton Towers has prepared Plans and Outline Specifications, as well as a Physical Needs Assessment, which outline the proposed rehabilitation and repair work that will be undertaken once the construction loan closing takes place. A generic outline of that work is attached hereto.

All of this work will be done with tenants in place. No tenant will be required to relocate.

Litigation-

In the fall of 2011, litigation was commenced by Mr. Emmanuel Ku, who is essentially challenging HUD's authority to convey property through its foreclosure and Right of First Refusal process. This individual has instituted a number of similar actions against HUD in the past, none of which has been successful. The City of Newburgh and Burton Towers LLC are named as defendants in this action. The outcome of this litigation is still pending.

Payment of Back Taxes and Water Fees-

Pursuant to the Contract of Sale between the City and Burton Towers LLC, Burton Towers LLC is required to make the \$200,000 Municipal Impact Fee payment, and the \$715,000 payment for back taxes and water fees to the City by the earlier of 12 months from taking title, which would be September 30, 2012 or the closing on the construction financing for this property. The construction financing is currently projected for August 15, 2011, but is subject to final approvals from the State. Consequently, it is anticipated that these payments will be made to the City on or before September 30, 2012.

Enc.

BURTON TOWERS, Newburgh, New York

OUTLINE SCOPE of REHABILITATION WORK

Building Envelope and Site:

- new roof over existing with additional new insulation
- new windows with low E, argon filled dual glazing
- repair brick parapet; repair and reset copings; misc. repointing and repair of brick veneer
- new entrance doors and hardware
- new site retaining walls with storm drainage to catch basins
- repair concrete curbs and walks
- repair and repave drives and parking areas
- upgrade exterior lighting

Building Interior - Typical Residential Unit:

- new kitchen cabinets, sinks, faucets and counter tops
- new refrigerators and stoves
- new light fixtures, outlets, GFIs, switches and electric panels
- new hard wired smoke and CO2 detectors
- new intercom and upgraded buddy alarm
- new apartment window treatment
- new apt entry door hardware
- new A/C sleeves
- new paint throughout

Building Interior - Common Areas:

- new light fixtures, outlets, GFIs and electric panels throughout
- new carpet in lobby, community room and public corridors
- new cabinets, top, sink, faucet and appliances in community kitchen
- upgrade common area bathrooms
- upgrade handrails in exit stairways
- new paint throughout
- new entry doors, hardware and intercom
- new refuse compactor
- new elevators, cabs, controllers and call system
- replace common area A/C systems

Building Mechanical Systems:

- new heating and hot water boilers and controls
- replace rooftop exhaust and building ventilation systems; clean and repair exist ductwork
- new emergency lighting and alarm systems

02/03/12

RESOLUTION NO.: 68 - 2012

OF

MAY 14, 2012

A RESOLUTION AUTHORIZING THE CITY MANAGER
TO ENTER INTO AN AGREEMENT WITH THE COUNTY OF ORANGE
FOR THE SUMMER YOUTH EMPLOYMENT AND TRAINING PROGRAM TO
PROVIDE YOUNG PEOPLE TO WORK FOR THE CITY OF NEWBURGH
FOR THE SUMMER OF 2012

WHEREAS, the County of Orange is once again offering a Summer Youth Employment and Training Program for the purpose of providing meaningful work experience for participants; and

WHEREAS, the City of Newburgh Youth Bureau and other City Departments have expressed an interest in using this program to provide summer jobs for young people and service to the City of Newburgh; and

WHEREAS, this Council finds that entering into an agreement with Orange County for this purpose is in the best interests of the City of Newburgh;

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Newburgh, New York that the City Manager be and he is hereby authorized to execute an agreement and other necessary documents with the County of Orange in order to participate in the Summer Youth Employment and Training Program which provides young people to work in the City for the Summer of 2012

RESOLUTION NO.: 69 - 2012

OF

MAY 14, 2012

RESOLUTION SCHEDULING A PUBLIC HEARING FOR MAY 29, 2012
TO HEAR PUBLIC COMMENT CONCERNING THE DEVELOPMENT
OF THE LONG TERM CONTROL PLAN FOR THE CITY OF NEWBURGH
COMBINED SEWER OVERFLOW

NOW, THEREFORE, BE IT RESOLVED, by the Council of the City of Newburgh, New York, that there is hereby scheduled a public hearing to receive comments concerning the development of the Long Term Control Plan for the City of Newburgh Combined Sewer Overflow ; and that such public hearing be and hereby is duly set for the next regular meeting of the Council to be held at 7:00 p.m. on the 29th day of May, 2012, in the 3rd Floor Council Chambers, City Hall, 83 Broadway, Newburgh, New York.