

Special Village Board Meeting
Thursday, May 15, 2014 - 12:00 Noon

A special Village Board meeting was held on the above date at 12:00 noon with the following members present:

PRESENT: Mayor Patricia Abato
Trustee Frank Hagen, Trustee Jo Meegan-Corrigan
Trustee Matthew Byrne, Trustee John Meehan

ALSO PRESENT: Virginia Menschner, Village Clerk
Terry Rice, Village Attorney (who recused himself
from the meeting)
Rob Magrino, Assistant Village Attorney

ABSENT: None

Mayor Abato said that first she wanted to make a few comments. This meeting is strictly for a vote on the Pilot Program. We have given opportunity to our residents on several occasions to weigh in on this. We have postponed it on several occasions due to the nature of more information that was needed by some of the Board members so that they felt as though that they had all the information with expert advice to make an educated decision and she applauds the Board for that because she thinks this is a very big decision for the Village of Suffern and she thinks it is our responsibility to make sure that we have all the information that we need to go forward with something that will impact the Village so greatly. That being said we are here for the first item on the agenda to vote on a Pilot Program for Orange Avenue. She said she would like to let - the Board has been notified - and she would like to let all the public know that we have had an attorney, an expert attorney, look over the Pilot Program and give us his opinion on that program. She said she had made available to the public at the Board meeting Monday night a copy of that report from the attorney which was a very positive report as well as it was available on the website for anyone who would like to review it. This has been a long road. This is something that this Board has taken very seriously. Each of us felt that we needed time to review all aspects of what this project entailed. Not just the monetary part of it but also the impact on our Village going forward. Traffic, environmental, there was a lot of aspects to making a decision on this Pilot Program. She herself, she has to tell them, spent many a night up all night reading, looking into other areas, Pilot Programs, economic effects, environmental effects. This was a huge decision for all of us to make and she wants to tell them in all certainty that each one of the Board members has taken the time to get all the information that they feel they have needed to come to

make a decision today on the Pilot Program. The Mayor said she would also like to tell them that Mr. Goldstein has also gone back numerous times to try to meet some of the needs and concerns of the Village. The latest thing he has come back to her with is he has again put his pencil to the paper and has come back with instead of a 40 year Pilot a 35 year Pilot. So that is what we will be considering today - based on a 35 instead of a 40 year Pilot. And the Board members all have that information as well. She asked if any of the other Board members would like to speak. Trustee Meehan said he will probably speak on the vote.

A motion to approve the Pilot Program was made by Trustee Meegan-Corrigan, seconded by Trustee Meehan.

Trustee Frank Hagen said he would like to read a statement that he made and he will give a copy to Virginia. May 15, 2014 - in reference to the Orange Avenue Pilot. He said since he is deeply committed to the revitalization of the Village of Suffern he is in favor of developing the blighted area in and around Orange Avenue and Chestnut Street. Upgrading this area would have a positive impact on our Village by attracting residents and businesses to the downtown area of Suffern. What we now have is a developer who is presenting a plan that does not offer adequate parking or any new retail space. In addition, he wants to put the burden of tax abatement on a Village already fiscally stressed. Village residents are currently paying county, town and Village taxes at the full assessed rate. They are paying their fair share and so should this developer. This greatly needed tax revenue would be lost with the implementation of a proposed Pilot. This Pilot Program allows the developer to obtain a low interest loan and deprive the Village of Suffern of their fair share of taxes for 35 years. He cannot agree with this. He fully understands the developer will purchase 120 Orange, clean up the contaminated soil and make a change to the underpass on Chestnut. But this is not enough to justify not paying the full tax abatement that will increase in value over 35 years.

Trustee Jo Meegan-Corrigan voted yes because we have waited a very, very long time. We have entertained a lot of developers - one developer twice. We shot down every project that came through for many different reasons and she feels that the Payment in Lieu of Taxes will far exceed anything that we will see from any other developer that comes into this Village.

Trustee Matthew Byrne said he regrets that because of a professional relationship that his firm's representation at one of the property owners involved in this proposal that he would be required by ethical rules to abstain from voting, as he has through this process in any other votes that we have taken. So unfortunately, although he wishes he was in a different position, he is required to abstain.

Trustee John Meehan said when the Village Board previously voted on the proposed Pilot he voted no because he didn't feel qualified to make a decision and wanted expert help. With the help of Mr. Magrino, our attorney, the Village enlisted the services of Farrell and Fritz, a Long Island firm with extensive experience in real estate development and the financing of the residential real estate development. His first question to them dealt with the need for the Pilot. He had a long discussion with Peter L. Curry of that firm. He told him that the Goldstein's could possibly get a conventional loan but would have to come up with 35% down for the loan and for real estate developers that is too great a risk. He stated that a conventional loan would be less expensive for the borrower. They would get a lower rate with a conventional loan. And that the rate paid under governmental financing sought by the Goldstein's would be obligatory Pilot professional. He said he has long felt that the particular property was blighted and he knows that the single room occupancy building there has been too frequent a cause for police intervention. A number of other things have influenced his decision. One is the fact that we have improved the payout from the original project so in the first year our revenue from the property will increase \$5000 over the current taxes paid by these properties. Another is the opinion of our Treasurer Tom Zordan who he has great respect for and whose careful analysis - after careful analysis - feels that the Pilot would make economic sense for the Village. Another discovery is the significant ground field on the property which will cost hundreds of thousands of dollars to renumerate. They were manufacturing batteries on that site in the 30's. If we turn down the Goldstein's he very much doubts that we will ever be able to attract another developer with the knowledge of the ground problem. He said he has been told that if he supports this Pilot he will be ignoring the people. He said he knows that many people that he respects are opposed to this project. He also knows that many people that he respects are in favor of this project. He sees the community as divided. He has seen massive community opposition to projects in the past and he has not seen it on this issue. In any event he has to defend his position in the upcoming election. He has lived in Suffern all his life and has professionally always tried to act in public interest and that is why he is voting yes on this project.

The Mayor said she thinks that was very well said and she does believe that this is a very blighted area. It has been something that has been looked out for many, many years and continues to get worse. And as she drives down Orange Avenue she really gets a really bad feeling in the pit of her stomach as she looks at that area because Suffern really is a beautiful place and this kind of brings us down and it serves as one of the gateways to our community and is just not serving us well. She said she thinks that everyone knows that she was very concerned about this Pilot so she had to weigh her concerns with the Pilot and she had to weigh her concerns with the area being not in very good condition and

continuing to get worse as well as our empty stores downtown and as well as the fact that there is a \$800,000 cleanup that would need to be done before any development could be done on that property. This certainly is not something that is going to attract developers to this property now that we do know that there is such a heavy cleanup. Therefore, in weighing every thing, and she has to tell them that she has taken this quite seriously, and again she will echo what Jack said. Unfortunately we cannot please everyone. But we have to at the end of the day be able to lay our heads on the pillow and know that we have done the best thing for Suffern and she will vote yes.

Attorney Rob Magrino said if he may. Just so we are clear. It was unclear exactly what the motion was for. Mr. Goldstein proposed a Pilot Agreement in a letter March 14, 2014 and now it is a proposed 35 year Pilot. Just so it is clear. The Board is voting that it will agree to those terms subject to a formal written agreement, and again he thinks the Farrell Fritz letter indicated that there should be some recapture language in there which again should be, so everyone understands, that would be part of the agreement. So that was what the motion was for basically. Kind of the Board giving an indication to the developer that it will be a 35 year Pilot on the terms set forth in that letter subject to a formal written agreement that the Board must agree to also and the developer. So this is kind of a preliminary step so that the developer can move forward and the Village can move forward also but an indication on these terms subject to written agreement the Board has voted as just indicated.

Trustee Meehan said he really thinks that the developer knows that there is always going to be a recapture provision. The Mayor said she would like to explain. She said we have asked for a provision in the Pilot Program that the Village, if this building should go under at any time, or the developer goes out of business or goes bankrupt or whatever that we would recapture the full value of the Pilot back from the mortgage company. So that you all are aware that we are protecting the Village with that and the Goldstein's have agreed to that language being added to our agreement with them for the Pilot Program. She said she also wants to let them know that the Goldstein's will now have to go to the school board as well as the Town of Ramapo. All must be in agreement with a Pilot Program so that will be their next steps. And she is sure that that will be sooner rather than later as she knows that we have had Mr. Goldstein wait a very long time and please understand that we really needed to have everything in order. That being said, the motion is carried.

At this point, Attorney Magrino left and Attorney Rice rejoined the meeting.

B) Appointment of Laborer:

The Mayor said we had a resignation of a laborer's position. We had a candidate that we thought was going to take the position and had called Mr. Sawicki to say that he was unable to take the position. Therefore Mr. Sawicki has done some more interviewing and has come up with an appointment of a laborer.

Charles Sawicki requested the Mayor and the Board to appoint Mr. Daniel M. Morgan to the vacant street department's laborer position. Mr. Morgan resides in Sloatsburg, New York. Is a Sloatsburg fire fighter and is currently working for the DPW in Englewood Cliffs, New Jersey. Mr. Morgan possesses a CDL license and has eleven years of DPW experience. Mr. Morgan will start work on June 2, 2014 at a rate of pay of \$16.39 per hour. The Mayor said she would like to appoint Mr. Morgan. A motion to confirm was made by Trustee Meegan-Corrigan, seconded by Trustee Meehan.

AYES: Mayor Patricia Abato
Trustee Frank Hagen, Trustee Jo Meegan-Corrigan
Trustee Matthew Byrne, Trustee John Meehan

NOES: None

ABSENT: None

A motion to adjourn the meeting at 12:22 p.m. was made by Trustee Meegan-Corrigan, seconded by Trustee Byrne. Upon vote, the motion was carried.