

The **Minutes** of the **Special meeting** held by the Mayor and the Board of Trustees on August 5, 2009 for the Special Assessment District.

PLEDGE OF ALLEGIANCE

ROLL CALL Trustee Batista – Present
 Trustee Bueno – Present
 Trustee Dominguez – Present
 Trustee Watson, Jr. – Present
 Mayor Kohut – Present

Mayor Kohut: I am going to ask Village Attorney, Jay Hood, Sr. to outline why we are here tonight and the particulars of the special assessment district legislation, etc. We may then hear from GDC, and then turn it over to you for any questions to be directed to me as the chair.

Village Attorney: Tonight, as you all know, we are here to determine whether the Village Board should establish a Special Assessment District that encompasses the public amenities in the Harbor's development. There have been notices posted in the newspaper. Each of the owner's of the property that will be affected by this special assessment district has received notification. When Martin Ginsburg from Ginsburg Development first came to propose the development in the Village of Haverstraw, the Village was very interested in obtaining a developer that would do something with our waterfront. The site was very difficult. It needed surcharge, shoreline stabilization, etc. The village had no money. Part of the negotiations with him to come and actually do this project was this particular item whereby the parties agreed, in an LADA, that there would be an intense effort to obtain grant money for the public amenities. To some extent, we were successful. The LADA, which I am going to read the section, stated that in the event that there was no sufficient grant money pertaining to these things, the village made an obligation to pay Mr. Ginsburg \$4 million. In fact, we were successful in getting some grant monies in, but certainly not enough to cover all the public amenities. I am going to read the section so that you have the background. It's page 34 of the LADA. The village acknowledges that from time to time during the course of the project, the developer may ask financial assistance from the village for the construction of the public infrastructure described in Section 9.1D of this agreement. The village agreed that provided the sufficient financial assistance is not received they shall expend \$4 million, exclusive of capitalized interest and/or debt service, in the form of a bond for Phase I; as the contribution to the cost of construction of the public infrastructure for Phase I of the project that identifies Exhibit I and shown on Exhibit I -1 of the agreement. The village's developer knows and agrees that the village shall from time to time issue a general obligation bond up to the average amount of Phase I (Site A) as the village contribution. I believe that over a period of time that we received grants equaling \$2.6 million and the public amenities are costing \$17 plus million dollars. This was signed back in 2003. There were extensive hearings at that time. The residents of the village attended those. The residents saw what the village was doing and had an opportunity to comment on it. In 2005, a couple of years later, we were asked to pass a local law that would enable the execution of this special assessment district. We did so. We did fill out the notice. Immediately after that, we all know what happened in 2005, Mirant hit. We had a huge tax fight. Your school taxes and your town taxes have gone through the roof. During the last 7 years, the village has not raised your taxes. Because of Mirant, Ginsburg came to the village board and said "I can't put this through at this time". They [the property owners] are already looking at these increases. Let's hope that things get better, and I'll come back and ask to do it at a future time. The board said fine. Let us know when you would like us to put this through.

There were appraisals done to value the land that was going to be given to the village. As part of that, all the improvements on that land would come along with

that land. The appraisals have come in and assessed at \$4 million. This is part of the record that we are going to establish here tonight.

This is what is called a public hearing at which time a public record is made. This is being recorded. This is to provide everybody with an active record of exactly what took place at the public hearing and what presentations were made. We are legally obligated to do this.

I'd like to ask representatives of Ginsburg Development to come up and give their portion of this public hearing. It will be entered into the record.

Patrick Normoyle: I am with Ginsburg Development Co. We did have two separate meetings with Harbor residents down at the Harbor social hall. Again, the Mayor and Jay Hood were able to attend the meeting last night. The Land Acquisition and Disposition Agreement is essentially the bonding contract between GDC and the Village pertaining to the waterfront redevelopment. Most people in this room do enjoy living down at our harbor community. We are happy you are there and want you to be happy being there. We are not pleased with having to raise your taxes. However, given the state of the economy and the state of our situation at GDC, it is necessary and critical for us to move forward with this special assessment district at this time. As I explained last night, the City of Yonkers had their own waterfront redevelopment project. As part of Phase I, they developed two separate buildings totaling 270 units. As part of that Land Acquisition and Disposition Agreement, the city of Yonkers agreed to pay for the entire esplanade park totaling \$9 million for Phase I, as well as the public infrastructure on site totaling \$11 million. In addition, under that disposition agreement, the developer paid zero dollars for the land. All of that was done by the City of Yonkers. Unfortunately, when they came to the Village of Haverstraw, the Village of Haverstraw is a fraction of the size of Yonkers. Approximately, it's a population of 12,000 versus Yonkers population of just under 200,000 people. The City of Yonkers had certain financial capabilities that they can make available to a developer. Unfortunately, the village did not have those same resources available. One of the key elements of our deal with the village was the presence of this \$4 million special assessment district.

I have copies of each of the offering plans as well as all of the amendments. The Village's part of this special assessment district would be that they acquire land and a municipal easement from GDC. The appraisal simply values the land. However, as part of this transfer, the village at the end of this transfer will own all of the infrastructure at Site A that will include the promenade park, road, sidewalks, lighting, landscaping, as well as all sewer mains and related sewer infrastructure.

I think it is a very special place. Given the difficult financial times for everyone we would not want to proceed with this at this time unless we had too. However, given the state of the economy for the real estate industry & given our particular situation at GDC, we are forced to move forward at this time. If we could have waited, waited until all 490 units were concluded, we would have done that. I am telling you, we cannot. Everybody heard basically what the cost would be. It's about \$400 to \$500 per unit per year and that it tax deductible. It's somewhere on the order of \$35 to \$40 per month to make this happen. We look forward to hearing your comments tonight.

Mayor Kohut: We are going to start with the names that are on the list. Then, if anyone else would like to ask a question, we'll ask him or her to come up.

Sean Jelen, 3418 Leeward Drive- We don't want to have our property tax increase, but we also do not want to see our developer fail. My biggest concern would be the public amenities.

Art Taub, 3204 Leeward Drive- relinquishes his spot to the next person

Maria Eskinazi, 3210 Leeward Drive- This is your burden to inform us. We should have been informed that we would have this debt to pay back. All of us are suffering from the same economic hardship. We know that Mr. Ginsburg needs the \$4 million and we know that the village has to pay him. My request, as a village resident, is to let us work together to get a solution that we can all work with.

Steven Moetzing, 24 Harbor Pointe Drive- I think there has been miscommunication. Many of us at our closing did not understand fully the establishment of this agreement between yourselves and Martin Ginsburg. We are all financially suffering. What you may not know is that we in the Harbors have had personal increases of our own. We recently have been told that we will be responsible for the purchase of the \$1 million recreation facility, which has been detailed in our offering plan. We also have been told that we now have to go ahead and pay more for landscaping to our beautiful community. We also know that because of the real estate market, that we have less residents than were originally forecasted to divide the costs between Harbor residents. We all have to go ahead and find ways to afford these increases. Why just the Harbors? We understand the explanation at the time this agreement was made. We understand that was a decision that was made at that time. This is today. We'd like to understand and work with the board and with the other residents of the village to come up with some other alternative. So, that we can share the pain and the community and the benefits that are being provided to all of us. We understand that the village will purchase the property. This will result in the dedication of the streets. What we don't understand is what happens after that. Will we be provided with snow plowing services? Will we have to change our habits in the wintertime for off the street parking? Will the promenade remain cleaned as it has for the years that we've lived there? Will the promenade be plowed during the wintertime to allow commuters to and from the ferry? I ask the board respectfully that they table their votes this evening until these and any other items that are brought up by the residents in the Village of Haverstraw are addressed.

Gil Musinger, 1416 Round Pointe Drive- I'd like to thank the Mayor and the Board of Trustees for their efforts. This agreement is supposed to last for 30 years. We should all live and be well for the next 30 years. This community can, 20 years from today, be far more appealing than what it is right now. The entire community will benefit. What I am asking the board to do is to reconsider and possibly amend Section 3. I think that would be easier to do in considering the economic situation of this community in years to come.

Irwin Scharf, 1115 Round Pointe Drive- We have a beautiful community. I have a tremendous view in the development. I see residents using the benefits of our development. I don't object to that, but if they want to come let them pay.

Bernie Dicarlo, 32 Bridge Lane- Thank you Mayor. I think that we all regret that when we signed the agreement with Mr. Ginsburg, we were all aware of the fact that we opened public land that was going to be run by the village. I think that we all understand that when we did this we went into an agreement with GDC and also understood that GDC was also funding various projects within the village. What I don't understand is that this Special Assessment District no longer involves the people in the village, the homeowners in the village. It's specific to the Harbors people. This site wasn't just the Harbors. This site was the Hudson River and how you could beautify that. My biggest concern is how this \$4 million is just for us to pay especially under this economic situation. What I am asking for myself and for my family is for the board to sit back and reconsider how this assessment is being done and how it's shared or not shared and that there are people from the village that do need our community. You will see them in the mornings and on weekends with their fishing poles out. They walk around the promenade. They do access our property. They have the right to access our property, but why shouldn't they also share the responsibility of the financial obligations that we have in that community.

Jay Rosenstein, 3218 Leeward Drive- Thank you Mayor and the board for this opportunity. My wife and I couldn't be happier not only in the Harbors but also in the whole community of Haverstraw. What I would urge that the board consider is that the use of the property, which is available to all the residents, not only Haverstraw, but also the residents in Rockland County and that the County and the Town also get involved in looking at this property as a resource for the entire county.

William Stone, 14 Harbor Pointe Drive- I think village government is one of the most responsive body there could be for a municipality. I want to ask you to be equitable in whatever you do. I know some of you are very involved with the fire department, which have been responsive to the Harbors. I believe under the village code, you do have the authority to assume some control over the parking situation even though the streets are not dedicated yet. I know some people are concerned about fire zone violations. I thank the volunteers that respond to the emergencies in the community. I ask that whatever decision you make is fair and equitable to all concerned which is your community, my community, and our community.

Mayor Kohut: That is all from the list that I have. If there is somebody else that would like to speak, raise your hand and come up.

Adam Stein: This is only trying to come up with another way for the Village of Haverstraw and other residents to somewhat burden the cost of this special assessment. Our taxes are still relatively cheap compared to Piermont and Nyack. Take a look at their taxes. I mainly want you think about the other residents in the village and what they are going through. The ones that actually own homes.

Mel Post, 1422 Round Point Drive- First of all not that I am saying that I am a financial person, but as far as my knowledge goes with respect to general obligation bonds, they are just exactly what they are named. They are general obligations issued by municipalities and they must be repaid by the taxing power of that municipality. Not that municipality especially dedicated to what you call "properties that are benefited". The community benefits from us. As we wish them to benefit from us. We try to participate in the events downtown. We try to go to the restaurants downtown. We try to support the village. The people of the village and the towns most assuredly are able to come down to our property because it's not our property. It's public property. Therefore, we should all share in the beauty and the responsibility as well, including taxes. You made this arrangement with people who weren't even here yet. You made arrangements with Mirant. Now, the Mirant problem, we are all paying for it. We are sharing in the taxation that has come from the settlement with Mirant. Shouldn't everybody who takes advantage of this public property share in the taxation and the upkeep of this public property with us?

Mariane Goodman, 1413 Harbor Pointe Drive- I really want to ask the board to reconsider what's happening. Harbors is part of the community. The signature on the special assessment district says August 9th of 2005 on Page 5. None of us were here. At no time did any of us understand any of this. I really want to live here and stay in the village. None of us had an opportunity to share our thoughts. We need to do it together.

Adam Silver, 3118 Leeward Drive- I want to thank the board for having us here. I am not sure if we can say that it's going to be about \$40 a month. We don't even know the interest rate of the bond. We know nothing about what bond they are going to procure. Secondly, worst case scenario, I hope this doesn't happen. Let's say the builder is no longer here any longer to pick up his part of the cash for that bond. Who picks it up? I guess it will be us. If there is anyone here that knows what bonds are all about, I hope you are giving a speech.

Mayor Kohut: I will fill you in partially on that. I am not a bond expert. The intent is to have a 30- year bond. The way bonds work in the first year, it's interest only and then the principal will go after that. Our bond expert, whose name is Rich Tortora, from Capital Market Investors, it's the company through whom we do our bonding. He will be here to give more details in the future. The economy is stabilizing, or at least the bond markets are stabilizing. We will not know what the interest rate is until we go out for the bond. These are estimates. They are based upon the figures that we had at the time.

Roy Wayne, 3413 Leeward Drive- My question is before there was the Harbors, there was nothing. There was no tax base from that area. What happened to the people's real estate taxes prior to the Harbors? Were they higher than they are now? I don't know what services are actually being provided by the village to the Harbors. I am looking at the Harbors as a tremendous new tax base for the village. It had to benefit somebody. There was no revenue coming out of that area. Now there must be a lot because we are all paying pretty high taxes. Somebody else must be benefiting from that. We basically have a budget from taxes. I don't think we have increased that budget all that much by being here. I don't think there are a lot of services being provided to us. We are paying for them in our dues. Somebody has benefited since we have moved in there, so maybe that somebody could pick up a little bit of the piece that we are being asked to cover right now.

Mayor Kohut: A brief answer to the question is the property was zoned commercial prior. There were commercial taxes paid on it. It was commercial vacant land, so it certainly doesn't pay the extent of the taxes that are paid as residential property with the number of units that are there now.

Pete Rugg, 64 Hudson Avenue- I'd like to welcome all to our community. From what I understand, the whole village is going to be responsible to repair the road, lights, and promenade. That is going to affect everybody here in the village. We were also told many things when I was at those meetings and you weren't here yet, and a lot of these agreements that we made with your developer were these things. If things did go bad, we would have some protection and that we wouldn't have to pay for you. The village always used that land. As to what I understand, the whole village is going to repair the roads, promenade, and the lights. That is going to affect everybody here in the village when we get limited uses out of that. We sat in those meetings. We gave you the tour of the village sitting right on the river. I know you are paying for it, but there were also those stipulations in those agreements, in your prospectus, that said we shouldn't feel bad. You may have to pay a little more. There are other properties in this village that do not get any village benefits, Village Mill. The roads are private. They pay for their snowplowing. They pay for their own garbage pickup. They get no benefits out of this village besides the fire department and the police, which police are now handled by the town. I ask the village board before they make any decisions to have the whole village here to have an opportunity to listen to this if you do decide to vote against this assessment.

Akemi Plaskett, 6 Bridge Lane- When I saw the development, I fell in love with it. I just didn't fall in love with the development. I fell in love also with what's outside and around it. We all should, as far as Rockland County, Town, wherever, pay equal in tax because we are all going to enjoy it.

Karen Zambri, 32 Bridge Lane- I just want to make a comment on what was just said. If we have the mentality that we have our own community and they have their own community and they can't use ours, well we certainly go into the village and use the facilities in the village to support the village. Everybody is welcomed to come in to the Harbors. It's public. The café is public. It's not our own little world. I really would like you to consider, as a whole, that we are one village.

John Amato, 39 Bridge Lane- I'd like to talk to you about how the Harbors, as it is now and some of the responsibilities in the future. The documents that were put

in front of us were written very carefully, so that the average individual or more than average individuals wouldn't be able to understand that what would be there would be some additional costs further down the road. I would ask the board to protect themselves in the future. To get some type of performance bond or something from GDC to cover you and to cover the taxpayers in the community further down the road.

Artie Taub, 3204 Leeward Dr.- There is no way I want to disrespect you gentlemen from the village. We are not asking you to bring this down. We are asking you, by every speaker here from Harbors, to renegotiate and we'll work with you. We are looking to work with you to make it work.

Inaudible: Could you tell us how many taxpayers in the village?

Mayor Kohut: There are about 2400 tax parcels in the village.

Rhonda Papp, 1401 Round Pointe Dr.: You had talked earlier about grant money. I am just curious, where does that grant money get applied to once you receive them? We shouldn't be responsible for the whole burden of it. We are an open community. I think Harbors should be treated equally.

Mayor Kohut: The question about how much is the grant money and where does it go, there was a \$650,000 grant from the Dept. of State which was towards the construction of the first phase of the promenade. A \$2 million grant was for the infrastructure. As GDC related last evening, to date there has been \$14 million in infrastructure costs with another \$2½ million still to go, including the top coat on the road, the completion of the promenade, etc. That's the answer to that question. Anybody else from the public want to say something at this point? Otherwise, I know the developer did want to say something else.

Rhonda Papp: Where does the grant money come from?

Mayor Kohut: They were NYS grants. Yes, the taxpayers of NYS.

Paul White, 18 Harbor Pointe Dr.: I understand most of what's going on here. We are trying to work with the community. We are not trying to fight this thing. We are all burdened up with problems that go wrong in the village. Why are we not sharing this burden? This is part of the community. We are going to have to share in the burden of other problems that go wrong in the village. Why wouldn't this be spread across the whole community rather than just the Harbors?

Donald Widmayer, 11 Bridge Lane- The question I had is, are the costs and the \$4 million that are being given to Ginsburg, is this going to be before or after the project is complete?

Mayor Kohut: Once the bonds are issued and we receive the proceeds of the bond, we would turn them over to GDC at that point.

Donald Widmayer: What guarantee do we have that the job is going to be completed?

Mayor Kohut: The bonds aren't a guarantee. They've never been intended to be guaranteed for completion of the project.

Donald Widmayer: Why wouldn't the village want to see the project concluded before they submitted monies to it? The village is going to take over roads that aren't completed and the promenade that is not completed. If Ginsburg doesn't complete it, are you going to complete it?

Mayor Kohut: We would have a performance bond for that aspect of it. Whatever the estimated cost for the completion of the public portion, which is the pavement of the road and completion of the promenade there would be a performance

bond to guarantee. If he didn't do it, the bonding company would actually have to come in and pay.

Tanya Drake, 4218 Leeward Dr: I'd like to thank the Mayor and the board for having this public session. I'd like to say to the gentlemen from the village, my understanding is this is a public meeting. Everybody from the village was invited and the meeting is opened to anybody from the village who chose to attend. This was not a Harbors only meeting. I assume that the board fulfilled this responsibility under the open meeting law, advertising this meeting as it does all of its other meetings. I, like many of my neighbors, enjoy the facilities that are available in the Village of Haverstraw. We eat in the restaurants. We take advantage and support many of the functions within the village and within the town. I think what we are asking is equity, we are not asking that this bond be dropped on the rest of the village. What we are asking is that because the Harbors is a public place, I can tell you that we have many people from all across the county that take advantage of the waterfront, the gazebo, and many of the other areas of the Harbors. We are looking for equity. We are looking for the burden to be fair and proportional however you decide to do it. Most important of all, we want to make it very clear that we feel part of the village. We do not feel that we are the Harbors and everybody else is the village. We participate. Most of us are registered to vote. Therefore, we would really like a more equitable resolution. None of us want to be deprived of this \$4 million. GDC has a right to it. I think the issue of communication is a big issue. The language was in our perspective. We all had lawyers who read it. We want to live in the Harbors.

Dennis McSherry, 3 Edge Water Ln.: Thank you very much for having us here. I have been in municipal financing for 20 years and I have never seen a special district like the one that is being presented here. Second thing and more importantly, we are in a very low interest rate environment. If you decide to do a BAN for 12 months, guess what, the rates are just going to up in the next year. It may not be the most economical move.

Patrick Normoyle: I just want to address a couple of the questions that were raised by residents and then also highlight to the board, again going back to what was disclosed. First thing, the estuary park. That in no way will ever become a commitment of the Harbors residents. That's only a commitment of the developer. It does not fall on the village. It does not fall on the residents. As far as the sales center, that is not part of our permanent shoreline improvement. The permanent shoreline improvements start near the pedestrian bridge and run around the Harbors community. We also have a \$1 million site improvement bond in place, so that the work that is noted in terms of what needs to be completed, whether it's the paving or the completion of the promenade, the village already has the bond from GDC in the amount of \$1 million to complete any work should GDC default in some way. The Mayor said for the record, GDC has completed \$14.6 million in improvements to date. To complete the work outlined, it will take another \$2.5 million. The bulk of that would be the third phase of the promenade park, which obviously you have seen what the first two things would look like. We are going to continue to build that down to the southern end of the promenade. Again, as I noted where the Special Sewer Assessment District was noted, in Harbor Town I and in Harbor Club, Page 36 and Page 123, in addition to that language, there was a separate table which I had provided you from the LADA as well as the Offering Plan. There was table where each unit type was called out along with the estimated tax as well as the estimate for that same sewer district. That table appeared in two places just like that same description. On Page 36 and Page 123, it was called out in a special table, two different places, and the estimated costs called out to purchasers was raised from \$1100 per year to \$1500 per year. Now, we are obviously thinking that the costs now are more in the range of \$400 to \$500 on average. Similarly, Harbor Club dealt with it exactly the same way. On Page 38 and Page 124, there was also the same exact table where the estimated tax just called out and the sewer district tax was called out. In that page, the sewer district ranged from a cost of \$300 per unit up to \$550. Note that only one unit was at \$300, that's a

studio apartment. On to Bayside, where there were 70 purchasers, the same was included, but instead of including the sewer assessment district cost as part of that table, it was included as part of the overall estimated tax, admittedly not as clear to the Bayside purchasers. We were trying our best given the real estate tax situation in the Village and the Town and the School District to give a warning to perspective purchasers. 101 purchasers were in Harbors Town I and 94 were in Harbor Club. This is 195 units. They were the ones with the special table where the sewer tax district was called out and the cost was either in line, in the case of Harbor Club, or substantially higher in the case of Harbor Town I. If you take those numbers out of the 272 closings that have happened to date, basically 72% of all closing had it called out in a special table. GDC did at no time attempted to hide these costs and then they appeared in two different places in every offering plan.

Trustee Dominguez: Patrick, can we get a breakdown on what these codes are?

Patrick Normoyle: You want a breakdown on what the unit types are. For example, two bedrooms, one bedroom and size of the units? Yes, we can submit that for the board to review.

Dennis McSherry, 3 Water Edge Ln.: On the dispute about there being a lack of communication. I think Patrick just told you they are going to the new owners to find a better disclosure. I'd like to, if you would allow me, to read something that was in my offering plan.

Trustee Dominguez: Excuse me, can you tell us what offering plan you had?

Dennis McSherry: Sure, I am a Harbor I resident. It does discuss previous to this paragraph that I am going to read concerning a Special Assessment District.

For the record, Mr. McSherry reads the paragraph and remarks about its confusing language.

Irvin Scharf: Gentlemen and ladies from all the discussion heard, you know what all of our concerns are. We suggest a modification of the LADA and the 2005 local law. Also, what is GDC going to do with the \$4 million?

Village Attorney: This is the only Special Assessment District that affects you. We do have consultants, assessor, bond counsel, and we have a financial consultant for the bond. They were not available tonight. I am recommending to the board that we place this matter over for a two-week period for several purposes. One is to respond to all the issues that were talked about tonight. There are a lot of legalities involved here. I am suggesting the two-week period to have those consultants in to give you a better idea. We can talk about the bond rates.

Mayor Kohut: It looks like August 20th is what is good for the board. Thank you folks for coming out. Can I have a motion to accept the continuation of the public hearing to Thursday, August 20, 2009.

RESOLUTION #164-2009

Motion by: Emily Dominguez

Seconded by: Tom Watson, Jr.

Motion carried: All

Mayor Kohut: I did want to thank you all. For the politeness and the courtesy that you have showed not to yourself but to your fellow speakers. We just have other matter business that we need to take care of, which you are welcome too. It's for another project that GDC is proposing for affordable housing units. You are all more than welcomed to listen.

Mayor Kohut: I need a motion from the board authorizing us to issue a notice of intent to become Lead Agency for the Murphy Manor on the Olori property.

RESOLUTION #167-2009

Motion by: Emily Dominguez
Seconded by: Tom Watson, Jr.
Motion carried: All

Trustee Dominguez: I make a motion to adjourn tonight's meeting.

RESOLUTION #169-2009

Seconded by: Tom Watson, Jr.
Motion carried: All

Respectfully submitted,

Sandra Castro
Clerk/Typist