

**PHYSICAL SERVICES COMMITTEE
MINUTES**

**(REMOTELY)
MONDAY, MAY 24, 2021
3:30 P.M.**

PRESENT: Barry J. Cheney, Chairman
Leigh J. Benton, Katie Bonelli, James M. Kulisek, Joseph J. Minuta,
Michael D. Paduch, Paul Ruskiewicz, Peter V. Tuohy

ALSO

PRESENT: L. Stephen Brescia, Chairman
Thomas J. Faggione, Legislator
John S. Vero, Legislator
Betsy N. Abraham, Legislative Counsel
Harold J. Porr, III., Deputy County Executive
Langdon Chapman, County Attorney
Damian J. Brady, Chief Assistant County Attorney
Stacy Butler, Senior Assistant County Attorney
Erik Denega, Commissioner, Dept. of Public Works
Travis Ewald, Deputy Commissioner, Dept. of Public Works/Engineering Div.
James S. Brooks, Commissioner of Parks, Recreation & Conservation
Edward Magryta, Director, Airport
Eric Ruscher, Director, Real Property Tax Service
Deborah Slesinski, Deputy Budget Director
Dina Sena, Budget Analyst

Chairman Cheney opened the committee meeting at 3:32 p.m. by asking everyone to stand for the Pledge of Allegiance. All committee members were present with the exception of Legislator Minuta who arrived at 3:42 p.m.

Mr. Paduch moved to approve the request to accept and appropriate funds in the amount of \$93,880.00 from the City of Middletown for the repair of the Heritage Trail Culvert 60" Sewer Sleeve Installation under Dolsontown Road. Upon approval, funds will be added to Capital Project No. 725, seconded by Mr. Kulisek.

Mr. Brooks stated that during the construction of the Heritage Trail, the City of Middletown asked if the sleeve can be installed for their sewer line. They agreed to pay for it, so these are the funds being returned for expensing the money. He added the funds will go back into the capital project to be used for the Heritage Trail.

Motion carried. All in favor with the exception of Legislator Minuta who had not yet arrived.

The next agenda item was an update regarding the Heritage Trail. Mr. Brooks reported that it has been very busy as there has been no decrease in the number of people using the trail. Last year Mr. Sorensen did a study count that estimated there were a half a million people using the trail at that time. The crews have been out, and a few items have been added such as, garbage cans, a few porta potties, benches, and signage every quarter of a mile. As far as the trail going into the City of Middletown where they left off last year, tomorrow is the scheduled opening of the bypass underneath the construction of 84. He stated this is an example of the government working together because everyone worked hard to accomplish this project. In addition, they received positive feedback from Conrail, so the crossings in the City of Middletown will be accessed by the city and everyone will be able to enter the city from East Main Street in short order.

With no questions asked Mr. Cheney thanked Mr. Brooks for the update.

Mr. Kulisek moved to approve the request to accept and appropriate grant funds from the Federal Aviation Administration (FAA) for the Snow Removal Equipment Building at the Orange County Airport. Upon approval, the funds will increase existing Capital Project No. 566, \$9,955.00, seconded by Mrs. Bonelli.

Mr. Magryta stated this request is for a supplemental additional appropriation to the design grant for snow removal at the building. The first design bid was rejected due to high bids last year and it was re-bid this year. These funds were to allow for additional resources to prepare for the second and any other modifications relating to the Wicks Law. He added this was approved by the FAA as supplemental to the original design grant.

Motion carried. All in favor with the exception of Legislator Minuta who had not yet arrived.

The next agenda item was an update regarding the Orange County Airport.

Mr. Magryta explained that the airport's activity level continues to remain very high, all commercial t-hangars and tiedowns in the inventory have been leased out, fuel sales are exceeding, and all the financials and activities are strong. He added they currently have 16 projects for the year.

Mr. Kulisek asked Mr. Magryta the status of the sewer and water connection with Medline.

Mr. Magryta replied they are at 100% design for the sewer and waiting on the state's response to the extension which was submitted in late March. He is hoping a response will be given soon, so they can give the consultant a green light to prepare the bid documents. Water is following the project and there is preliminary work being done. Medline is currently installing their lines from Neelytown Road to their building which is 50% complete. He added that discussions with the town have been ongoing. The State Hangar Projects are on hold as one of the hangars is waiting on an extension and the other is still in the time period of the grant. Furthermore, the request was submitted to combine the two projects to make one larger commercial hangar. The state modified it, so that they would still be standalone projects, but can be done consecutively to create a bigger building.

Mr. Kulisek asked if the extension for the flight school is a part of the project.

Mr. Magryta replied no, any extension would be on the tenant and he has not yet seen any formalized plans or drawings.

Mr. Kulisek then asked if anything has been done to clean the water going toward the restaurant.

Mr. Magryta responded that they have been monitoring the current system along with the chlorine levels since that is the remedy to the water potability issues, but ultimately the municipal water from the town is the solution.

Mr. Kulisek pointed out that the building should be used as a restaurant and/or be rentable and stated that he is very discouraged.

Mr. Denega mentioned that at one of the Airport Advisory Committee meetings an estimate was presented for the water repairs in the amount of \$30,000 to \$40,000.

Mr. Magryta stated there are 16 current ongoing projects between state, federal, and local that are being managed by the airport. In addition, the airport also has the Fixed Based Operator (FBO) to manage, and they are short two personnel, therefore, they are moving resources from maintenance to the FBO to meet the needs of the customers. There has not been a lot of demand for the restaurant because COVID-19 shutdown many within the last year. The activity level in relation to the restaurant discussion has been curtailed because of the current pandemic issues. He stated that he is not averse to potential restaurant options, but the marketplace will dictate that to them. Within the last two years, there has been no reach out to the airport on that space. He reiterated that there are limited resources to handle millions of federal and state dollars that the airport is managing.

Mr. Kulisek emphasized that they need to hire more staff and man the positions that need to be manned.

Mr. Denega stated that they assigned a temporary employee to the airport one or two days a week and there is also a posting for a full-time position. They are actively trying to get help.

Mr. Cheney suggested that Mr. Magryta make sure he is prepared to go out to bid for a restaurant operator if that is the way they want to go; coincidental with the installation of the new water line or sooner if it is deemed, they can make an investment in a one-inch copper line.

Mr. Minuta commented that the well water is controlled and observed by the County of Orange Health Department as are all restaurants that are on wells, so with respect to that, if the well water has an issue, it may need a filtration system. He is in favor of bringing municipal water to where there may be a well, but if it is well enough there is no need to fix it. Furthermore, every restaurant that has been at the airport has been difficult. The location is great, but a lot of people do not know it is there, so maybe it is time to look at something new.

Mr. Magryta stated that he appreciates the comments and reiterated that he is here to serve the public and the aviation community as well as the legislature and the County Executive. The airport has never had the type of activity and the funding they have now which is a great thing. He tries to set the priorities based on what the public is asking for and right now, the biggest thing

he is getting is they want hangars and structures. If he has restaurant tours contacting him or others who are interested in opening a restaurant, he is willing to listen to the request, but that is not the case. The demand he has right now is people are on waiting lists hoping to get hangars because there is not enough inventory. It is a great problem to have, but it is a problem they are trying to manage with the best resources they can. Furthermore, he is open to whatever direction is being given and he will continue to follow what the market is telling him.

Mr. Kulisek commented there is no need to pick a priority as Mr. Magryta should be able to multitask. The airport can build hangars, still fix the water, and put out an RFP for the restaurant. He stated that if they are really strapped for more resources, they need to get more help.

Chairman Brescia concurred with Legislator Kulisek. He stated that a restaurant can succeed at the airport and that is the consensus that came back from the Airport Advisory Committee many times. Also, if we need to hire more staffing to move these grants along, they need to do it. There are many options, and he believes that Legislator Kulisek's comments deserve merit.

Mr. Vero stated that he spoke with Mr. Magryta a few weeks ago and he is "hitting the nail right on the head." One of the issues that needs to be addressed immediately is the staffing and as the chairman of the Personnel and Compensation Committee, sooner is better than later.

Mr. Cheney thanked everyone for their comments and concerns and stated that they can continue the conversation as need be through this committee or through the Airport Advisory Committee.

Mr. Denega and Mr. Ewald addressed the committee with an update regarding the Beaver Dam Lake Rehabilitation.

Mr. Denega stated that over the past several months, things have been taking a turn for the better and the lake is full. It has been a lot of hard work and Mr. Ewald has done a great job as there has been a lot of obstacles.

Mr. Ewald explained that they were able to report to the Beaver Dam Lake Board that the project was deemed substantial which was after the final concrete pour was done on the spillway. After that, they had the final site inspection meeting on March 18th and on March 21st they received approval from Dam Safety to begin refilling the lake which they have been working diligently on. The lake has been refilling per the plan that the engineering consultant prepared which included requirement for visual monitoring of the dam and spillway. It had to be inspected and monitored every Monday, Wednesday, and Friday since the refill. He stated they are doing this in-house, and the engineering consultant is reviewing the reports. The refilling plan also required a hold period of three weeks, when the lake level reaches an elevation of six inches below the bottom of the fuse gates and then a second three week hold period when the lake elevation reaches about six inches from going over the spillway. The initial refilling went quickly and by March 24th the lake level had reached its first three week hold period and three weeks later, on April 14th, the engineering consultant approved the continuation of the refilling of the lake. By May 14th they reached the second hold point as the water level was just below the spillway and the three week hold period began. He is expecting that by June 4th the second hold period will be complete and based on everything they have been observing during the refill and the feedback from the consultant, they do not anticipate the development of any significant issues as they expect the lake will be able to return

to its normal operating level. Currently, the contractor has a couple of punch list items to complete such as programming and calibration of the electric actuators for the fuse gates. In closing, they are working on the contract closeout as boating activities have begun and lifeguards will be hired to get the beach open.

Mrs. Bonelli commended Mr. Denega and his team for working so hard to bring this to fruition.

Mr. Ruskiewicz moved to approve the request authorizing the Orange County Legislature to Assume Lead Agency Status under the State Environmental Quality Review Act (SEQRA) with respect to the sale, by the County, of 48 Grand Street (SBL 31-2-18), 54 Grand Street (31-2-13.2) and 62 Grand Street (SBL 31-2-19) in the City of Newburgh, New York, classifying the Action as Unlisted, determining that the action will not result in any significant adverse environmental impacts and authorizing any necessary publications related thereto, seconded by Mr. Kulisek.

Motion carried. All in favor.

Mr. Kulisek moved to approve the request authorizing the conveyance of ownership of County owned properties in the City of Newburgh, New York as follows: 48 Grand Street (SBL 31-2-18), 54 Grand Street (31-2-13.2) and 62 Grand Street (SBL 31-2-19), from the County of Orange to FSH Holding, LLC in accordance with Local Law No. 12 of 2020 and authorizing the County Executive to execute any and all agreements necessary for this conveyance, subject to the review by the County Attorney for purposes of form and content, seconded by Mr. Ruskiewicz.

Mr. Porr explained this is a project that has been in the works for several months, the legislature approved it 21-0 and he was able to accomplish a couple of directives given by the legislature. One directive was an increase in price which was negotiated with the proposed owners to \$1.3 million. There was also discussion regarding the zoning that was changed from institutional to waterfront gateway which allows the kind of uses that the company would like to build meaning hotels, restaurants, bars, etc. He stated that is now complete and in place. Another directive made by the legislature was to put in a revert-a-clause which would not allow the new owner to flip the property and make a profit without creating what they said they would. In addition, this project brings about \$20 million of private investment with a company that has a record of proven success. This project receives a lot of support within the community; therefore, he is asking for the approval to sign the contract to move forward.

Mr. Paduch noted that everyone received information regarding the debt service schedule and appraisals. He is not sure if anyone reviewed them, but he certainly did. After reviewing everything, he does not understand why the legislature agrees with the appraisal value when it could be higher. As he sees it, the county has already paid \$454,000.00 in interest and paid back \$1.6 million in debt service for a total of \$2,054,000.00. If these buildings are sold for \$1.3

million, he would hope the funds would go against the debt service because in 2022 it would be \$1,668,600.00; if this is done, the county has wasted almost \$3 million by letting the buildings sit. He stated that this is a good project, but he has spoken about negotiating another deal as the county should get more money; therefore, he cannot be in support of this.

Mr. Cheney commented that they will only get \$1.925 million if the rear parking lot is sold and if it is not included it would be \$1.775 million.

Mr. Minuta stated that these properties have been sat on for five years and he appreciates where Minority Leader Paduch is coming from, however, this must be looked at as an opportunity for additional tax base and an improvement to the community because this is a major boost for the City of Newburgh. Rather than looking at this as a loss, it should be looked upon as a "give me" to the City of Newburgh to help them. He stated that he is in full support of the project.

Mr. Ruskiewicz agreed with Legislator Minuta as the county will never recoup what was put into the buildings. Regardless of what the appraisals state, real estate is worth what someone is willing to pay for it. They have an opportunity to move forward and do tremendous things for the City of Newburgh and he is in full support of this.

Mr. Kulisek asked Mr. Porr if the recent change in leadership in the City of Newburgh will cause a problem with this agreement.

Mr. Porr replied no, he knows this project has been embraced by the city council and has the support of the mayor.

Chairman Brescia disagreed with Minority Leader Paduch's comments but does agree that it is always the goal to get as much as money as invested in properties, but that seldom happens. They know it will not happen with Camp LaGuardia, but here they have a chance to sell these properties that will help the City of Newburgh. If they do not sell the properties, they will most likely sit for another ten years. As the saying goes, "the future is now," so they need to let this developer invest the time and money. Furthermore, they all know the City of Newburgh needs desperate help, so this needs to be moved along to make a good thing happen.

Mr. Paduch stated he is in favor of the project, but no in favor of the sale price. He asked Mr. Porr the status of the IDA.

Mr. Porr replied the city IDA is supportive of the project and he is sure the sales tax on materials will be generated.

Mr. Paduch reiterated that he fully supports the project and hopes the county will get a lot of tax revenue, but they are wasting taxpayer money by sticking to the sale price.

Mr. Brady stated that there was a tax analysis done that was presented by the company that he will forward to the committee, so everyone can see the first five-year estimated tax revenue.

Mr. Minuta reiterated this project is not a waste of taxpayer dollars, it is an investment that is going to help the City of Newburgh.

Mr. Cheney asked if there will be continued liability for anything relative to the property once the deal is made as in an environmental impact.

Mr. Brady replied that once they close which is post approvals that the FSH would receive, the liability for environmental should end.

Mr. Minuta clarified that the liability will end.

Mr. Brady stated that is correct.

Mr. Paduch asked Mr. Brady if something happens where the deal does not go through, does the county keep the money.

Mr. Brady replied that it depends on who violated the agreement or why it ended.

Mr. Kulisek asked who is responsible for asbestos remediation.

Mr. Brady replied the inspections are being done and the plan regarding the contract is we are not performing remediation on the buildings. If there is an issue, it will be brought to the County Executive's attention.

Regarding the due diligence period, Mr. Kulisek asked if the closing date will be on time.

Mr. Brady replied it is six months from the date of full execution.

Mr. Paduch clarified that if they do not close by the end of 2021, there will still be \$1,879,696.56 that we owe in outstanding bonds.

Mr. Brady stated he is unsure, as he does not know what the accumulating payment is correct. He added that it comes from the same pot of funds.

Motion carried. All in favor with the exception of Minority Leader Paduch who voted against.

The meeting adjourned at 4:46 p.m.