

Kearney, Kaitlyn R (DEC)

From: Ryan, Michael (DEC)
Sent: Friday, November 06, 2020 8:28 AM
To: Heitzman, George (DEC); Brown, Janet E (DEC)
Subject: FW: #Clips: Poughkeepsie Journal: Poughkeepsie Landing Project developers sue Poughkeepsie

From: Fuller, Megan A (DEC) <megan.fuller@dec.ny.gov>
Sent: Friday, November 06, 2020 8:21 AM
To: Rosenbach, Wendy A (DEC) <wendy.rosenbach@dec.ny.gov>; Mossey, Stephanie L (DEC) <Stephanie.Mossey@dec.ny.gov>; Turturro, Kelly R (DEC) <kelly.turturro@dec.ny.gov>; Brand, Martin (DEC) <martin.brand@dec.ny.gov>; Ryan, Michael (DEC) <michael.ryan@dec.ny.gov>; Alexander, Louis A (DEC) <louis.alexander@dec.ny.gov>; Berger, Karl (DEC) <karl.berger@dec.ny.gov>; DiBetta, Laura L (DEC) <Laura.DiBetta@dec.ny.gov>; Drabicki, Judy (DEC) <judy.drabicki@dec.ny.gov>; Evans, Harold (DEC) <harold.evans@dec.ny.gov>; Frazier, Kevin O (DEC) <Kevin.Frazier@dec.ny.gov>; Fuller, Megan A (DEC) <megan.fuller@dec.ny.gov>; Lehman, Corey R (DEC) <Corey.Lehman@dec.ny.gov>; Levine, Jordan (CHAMBER) <Jordan.Levine@exec.ny.gov>; Mahar, Sean C (DEC) <Sean.Mahar@dec.ny.gov>; McLaughlin, Jane E (DEC) <Jane.McLaughlin@dec.ny.gov>; Murphy, Eileen (DEC) <eileen.murphy@dec.ny.gov>; O'Leary, katelyn S (DEC) <katelyn.OLeary@dec.ny.gov>; Petronis, Katharine J (DEC) <Katharine.Petronis@dec.ny.gov>; Ringewald, Erica R (DEC) <Erica.Ringewald@dec.ny.gov>; Seggos, Basil B (DEC) <Basil.Seggos@dec.ny.gov>; Severino, Lori (DEC) <lori.severino@dec.ny.gov>; Sierzenga, Paul M (DEC) <paul.sierzenga@dec.ny.gov>; Smith, Stephen J (DEC) <Stephen.Smith@dec.ny.gov>; Turturro, Kelly R (DEC) <kelly.turturro@dec.ny.gov>; Wernick, Jeff I (DEC) <Jeff.Wernick@dec.ny.gov>; Wren, Maureen F (DEC) <Maureen.Wren@dec.ny.gov>
Subject: #Clips: Poughkeepsie Journal: Poughkeepsie Landing Project developers sue Poughkeepsie

Poughkeepsie Journal: Poughkeepsie Landing Project developers sue Poughkeepsie

By Geoffrey Wilson:
Nov 06, 2020

The developer behind the Poughkeepsie Landing Project, a waterfront development two decades in the making, is suing the City of Poughkeepsie.

Joseph Bonura, Jr. is claiming the Common Council is illegally attempting to renege on a 2009 agreement regarding site plan approval and payment in lieu of taxes.

Bonura companies Poughkeepsie Waterfront Development and JM Development Group filed the lawsuit Wednesday, seeking that the resolution be overturned or that the city pay back "millions of dollars" that have gone into the development thus far, executing tasks such as environmental remediation.

The suit indicates roughly \$50 million spent on other developments built along the waterfront, such as the Waterfront Luxury Living development and restaurants like Shadows on the Hudson, was done so "in reasonable anticipation of the developer being able to have a right to finish the job it bargained for" in the Poughkeepsie Landing Project, and stated all of those properties would lose value if the landing project were not completed.

"We did not want to file this lawsuit, but the Common Council and IDA have been unwilling to sit down and discuss a path forward," said Bonura. "Instead, they introduced and voted on a resolution to rescind our development rights with no warning."

Both Mayor Rob Rolison and Councilmember At-Large Sarah Salem said they are reviewing the lawsuit with legal counsel and will release statements at a later time.

The multimillion-dollar development calls for offices, stores and a restaurant, as well as a public garden and a walkway along the shoreline. It is located on 13 acres of land along the Hudson River just west of Vassar Brothers Medical Center and south of the Mid-Hudson Bridge.

The 13.4-acre parcel has sat vacant since the late 1960s. Construction was expected to begin spring 2019, with the project estimated at \$20 million. However, Bonura changed course after the lease was negotiated, replacing the office space with 50 apartment units and inciting resistance from some neighbors and councilmembers.

In an Oct. 5 meeting, the Common Council passed a resolution rescinding a 2009 resolution that conveys most of the property to the City of Poughkeepsie Industrial Development Agency for eventual lease to the developer. It also gave Bonura a deadline to renegotiate a deal with the agency to move forward on the original proposal.

Mayor Rob Rolison vetoed said resolution, but the veto was overridden on Oct. 19.

The resolution gives the council control of the lease, allowing it to seek a new developer if Bonura does not move forward with the project as detailed prior to his attempting to add the apartment units. Previously, on the day after the resolution was passed, he had told the Journal he intended to sign.

The lawsuit claims the Common Council is illegally backing out of the 2009 agreement in order to negotiate better terms for the city. The 2009 resolution proposed a lease for the parcel of land at the former DeLaval Separator Co. site, as well as a payment in lieu of taxes, or PILOT, agreement.

While the lease and PILOT were not executed upon, Bonura argues that the city is bound to that agreement.

Bonura described the city's actions as a "shakedown."

"We are offering to further enrich the DeLaval site, something long envisioned, and we are willing to make this historic investment during the pandemic," Bonura said.

Bonura's father, Joseph Sr., was named the site's developer in 2001 after the city sent out a request for proposals. Without having signed a lease or purchased the property, the Bonuras have held claim to the site since then through a series of agreements.

Assessed at \$2.6 million, the city-owned property has been off the tax roll for about 50 years.

The property, which was once the site of an industrial complex that employed more than 2,000 people, was found to be contaminated with petroleum, heavy metals and semi-volatile organic compounds. The city has expended \$17.5 million toward the cleanup, of which \$9.3 million was refunded through the Environmental Protection Agency's Brownfields cleanup program.

The city received a certificate of completion from the Department of Environmental Conservation for the DeLaval cleanup in January 2014, indicating that the required cleanup had been completed and that ongoing monitoring would be needed.

However, if residential units were to be put on the site, the property would need to undergo further remediation and review.