

R-E-S-O-L-U-T-I-O-N
(R-21-41)

INTRODUCED BY COUNCILMEMBER MENIST

WHEREAS, the City of Poughkeepsie (the “City”) is the current owner of a parcel of property located at 35 Montgomery Street, parcel number 6061-28-946914, on which sits a building which is commonly known as and was at one time operated as the “YMCA” until approximately 2009 when it closed its doors and ceased operations permanently; and

WHEREAS, the property began to fall into disrepair and had been vacant for some time prior to the conclusion of a foreclosure action titled Mahopac National Bank v. Dutchess County Young Men’s Christian Association a/k/a Dutchess County Young Men’s Christian Association of Poughkeepsie, in 2014, whereupon the property was transferred by Referee’s deed to The Potter House, Inc., on October 23, 2014, which planned the renovation of the property and the establishment of a new community youth center on the site; and

WHEREAS, for more than four (4) years thereafter, as the building sat vacant and continued to deteriorate, the City saw no progress towards the establishment of a new youth and community center at the site, while property taxes and water and sewer charges went into arrears and remained unpaid, and

WHEREAS, throughout this time, the City continued to work with The Potter House, Inc., holding numerous meetings with its principals designed to help move their proposed project along, which efforts ultimately proved unsuccessful, and

WHEREAS, on February 22, 2019, acting on a recommendation of the City’s Anti-Blight Task Force, the Commissioner of Finance caused to be executed a tax deed in favor of the City and recorded on the records of the Dutchess County Clerk on February 25, 2019, which deed vested title in the City. By letter dated March 5, 2019, the City notified The Potter House, Inc., a copy of which is attached as Exhibit “A” and made a part hereof, and

WHEREAS, through the spring of 2019, the City took steps to secure the property, inspect the interior, and provide for its insurance, all steps which helped facilitate the issuance of a “Request for Expressions of Interest” (“RFEI”) to the public and interested parties, seeking proposals to develop a youth and community center on the site. A copy of the RFEI issued by the City is attached as Exhibit “B” and made a part of the record herein, and

WHEREAS, while the RFEI issued by the City requested responses by interested parties no later than June 3, 2019, the City conducted a number of community visioning sessions, including two public meetings which were held on May 13, 2019, and June 26, 2019, and were well attended, and

WHEREAS, the clear result of the City’s community outreach and dialogue with numerous stakeholders, was the strong preference among City residents that a multi-purpose, state-of-the-art

community center and facility be constructed which would have the following primary uses: adult and youth education, youth activity center, arts, wellness, recreation, child care services, early learning, and indoor swimming pool, which are vital to many Poughkeepsie families. The intent of the project will be to create a facility that adequately accommodates these multiple uses, and

WHEREAS, the City established the “YMCA Site Selection Committee”, Chaired by the Honorable Barbara Jeter-Jackson, to review proposals, community comments and related documents, which committee met on September 17, 2019, and November 12, 2019, prior to making its recommendation to the City, and

WHEREAS, a thorough and diligent review of proposals received led to the selection of the “35 Montgomery Street Coalition” which is attached hereto, as the successful respondent with which the City would move forward to explore various business models, seek financial and other in-kind commitments from community stakeholders, and explore inter-governmental partnerships, and

WHEREAS, as a result of all the foregoing efforts and ongoing discussions with the 35 Montgomery Street Coalition and Dutchess County, Mayor Rob Rolison and County Executive Marcus Molinaro executed a “Memorandum of Understanding” regarding the furtherance of the project, on August 19, 2020, a copy of which is attached hereto as Exhibit “C” and made a part hereof, and

WHEREAS, the City’s Property Acquisition and Disposition group (“PAD”), which is comprised of internal career public servants, including the City Assessor, and the City’s Tax Collector and Building Inspector, met on January 27, 2021, and unanimously agreed to recommend the sale of the property to Dutchess County, subject to the County’s agreement to demolish the existing structure within one year from closing of title between the City and County, and

WHEREAS, Dutchess County has pledged, subject to the approval of the Dutchess County Legislature and any State or local laws relative to purchase of real property, procurement, bonding, or loaning of credit, up to \$25 Million (\$25,000,000.00) Dollars towards a phased development project that begins with demolition of the existing structure and the greening of the parcel, followed by the design and construction of the new facility, and

WHEREAS, the City has pledged, subject to the approval of the Common Council by this Authorizing Resolution, to transfer title to the property to Dutchess County, and prior to the closing of title with the County, to maintain and continue insurance as well as municipal services to the property, including but not necessarily limited to those routinely provided by the City’s Department of Public Works, Engineering, Water and Sewer, and the plowing of snow, and

WHEREAS, the City has determined that it does not have the financial capacity to complete this development project on its own, and that the proposed project will provide essential and wide-ranging services to the community, including a new indoor swimming facility, early learning facility, and child care services which are vital to many Poughkeepsie families, and

WHEREAS, the Common Council hereby finds that it is in the best interest of the City of Poughkeepsie to approve the transfer of the Property to the County of Dutchess for the development of a youth activity center, and

WHEREAS, the action is an unlisted action pursuant to the State Environmental Quality Review Act (SEQR) and as such is subject to a determination thereunder, and

NOW, THEREFORE,

BE IT RESOLVED, that the Common Council hereby makes the following determinations: (a) that there is no existing municipal purpose or need for the Property; (b) that the current prevailing community need for the property is development of a multi-purpose community facility as described herein and which benefits from the partnership with Dutchess County, and (c) that the sale price and conditions imposed herein represent fair and adequate consideration for the conveyance, including to wit: the County's commitment of up to \$25 Million (\$25,000,000) Dollars for the demolition, design, and construction of a youth and community center, and be it further

RESOLVED, that the City of Poughkeepsie is hereby authorized to sell the property located at 35 Montgomery Street known as parcel number: 6061-28-946914 in the City of Poughkeepsie to the County of Dutchess, for a sum of \$10.00, subject to the covenants contained herein, and subject to authorization to purchase said Property by the Dutchess County Legislature, and further subject to such other conditions which the Corporation Counsel shall deem appropriate, and that the new facility and any related equipment, operation, or activities will be limited to the parcel located at 35 Montgomery Street and will not encroach upon adjacent or nearby parcels or parkland, and be it further

RESOLVED, that by Resolution R-2147___, the Common Council of the City, pursuant to the State Environmental Quality Review Act, has determined that this action will not have a negative environmental impact, and be it further

RESOLVED, that the Mayor is authorized to enter into an agreement for the sale of the Property, subject to the following covenants, and such other terms and conditions that the Mayor, City Administrator and/or the Corporation Counsel shall deem appropriate:

- A. County shall have up to three (3) months from the enactment of this resolution to perform any and all due diligence, including but not limited to an environmental assessment, and City shall provide County with all necessary authorizations for the County's employees, agents, and contractors to enter the Property to complete such due diligence, and
- B. The City is hereby authorized to enter into a Contract of Sale Agreement with the County of Dutchess, to purchase the Property, consistent with this Resolution within six (6) months from the enactment of this resolution. The Contract of Sale Agreement shall provide the County with an additional six (6) months from closing of title to obtain financing for the development of a youth and community center described herein; however, County shall not be required to finance more than Twenty-Five Million (\$25,000,000) Dollars, and

- C. County shall establish a coalition of stakeholders, who shall be made up of parties from the “35 Montgomery Street Coalition”, the City, the Common Council of the City of Poughkeepsie, the County, and the Dutchess County Legislature and who shall have input on operation, direction, and design of the youth and community center, before and after its construction, and with regard to its future operations, and
- D. The County shall, within twelve (12) months of the closing of title between the City and County, demolish the existing structure on the Property with the City contributing 25% percent, in an amount not to exceed Two Hundred Forty Thousand (\$240,000.00) Dollars, of costs associated with demolition, which may include but is not limited to, design and bid specifications for the demolition, and
- E. County shall be required to commence construction of the youth and community center within twenty-seven (27) months from closing of title between the City and County, and
- F. Purchaser shall accept such title to the real property as the City of Poughkeepsie is possessed of and agrees to accept such title by quitclaim deed subject to any defects or encumbrances as are of record, except that City shall defend, indemnify and hold harmless the County with regard to claims or causes of action seeking to invalidate the City’s tax deed and/or City’s sale of property to the County, and
- G. Said deed shall contain a restrictive covenant prohibiting the installation of coin operated or public telephones, and
- H. The City of Poughkeepsie is hereby authorized to sell the Property to the County of Dutchess, and a Contract of Sale with the County and resulting deed shall contain such provisions as are necessary to implement the intent of paragraphs A, B, D, and E herein. More specifically, time is of the essence, and the provisions related to the time within which the County must complete its due diligence, execute a Contract of Sale, finance the redevelopment of the Property, demolish the existing structure, and construct the new youth and community center, shall constitute covenants running with the land. The City is authorized to enter into a Contract of Sale with the County and it shall include language which is substantially similar to the following: the County perform the aforementioned with due diligence, but that a failure to perform within the time period prescribed in the Contract may result in the City placing the County on notice of its failure, and if the County fails to cure within a determined period of time, the City is authorized to repurchase the Property for the amount the County has expended, including but not limited to outstanding bonded indebtedness, to improve the Property. Additionally, the County assumes responsibility for operating the property consistent with the outlined objectives of this project, and shall ensure its good maintenance and financial stability after construction. If the property falls into disrepair or financial insolvency, then the same procedure related to notice of defect, opportunity to cure, and repurchase outlined herein shall apply.

RESOLVED, that the Mayor, the City Administrator and the Corporation Counsel are hereby authorized and directed to do all things necessary to give effect to the terms of this Resolution including but not limited to the execution of a Contract of Sale and any documents necessary to convey title pursuant to said contract.