<https://www.youtube.com/watch?v=oriztqvjMFM>

Jordan, Noble, Bonura presentation to IDA July 8, 2020

1:00:19

NOBLE: So just to give you a little bit of background so I was elected in 2016. prior to me two other Kingston Mayors tried to redevelop the parking lot at the corner of North Front St. and Schwenk Drive. That parking through a variety of different reasons nothing ever came to fruition. But when I came into office, I talked to many people in the Uptown business community and in Kingston in general and said, What can we do to be able to help improve parking? What can we do to improve business? What can we do to make sure that our Uptown economy is not cyclical, where at five o'clock everybody leaves from the county office building and nobody's open anymore because we know people that live here and so I said, What can we do about it? And so we went ahead and we put together a proposal to put out to the public, we called it a request for proposals, to be able to look for a developer that would partner with us to be able to create a multiuse setting, one where we would be able to build parking, build housing, build public, pedestrian plaza space, and to do so to revive our Kingston economy and to be able to make sure that Uptown is here to stay and that it is not, you know, going to be subject as much to the whims of the court. We think by having people live in the Uptown community we will be more successful as a city. And so with that idea, we were able to meet Joe Bonura and Brad Jordan and his team. And shortly after that, we also said you know, we can't just have one project, we have to create an Uptown that is successful. And so we applied to the governor's office for the Downtown Revitalization Initiative. We were selected as one of those communities that in 2017 and we received $10 million and that money is being put to use currently for a variety different purposes. And some of it is to help support this project. As one of the governor's priority projects, it allowed us to not only get funding, but it allowed us to do a very complex and comprehensive community outreach, because it's state funding is involved and we have multiple hearing multiple design Charettes, multiple opportunities for the public to help us develop this, what we call our Stockade investment and Improvement plan. This plan outlines everything that we can do as an Uptown community to be successful, but a big piece of this is to be able to create more parking. And when we looked at what used to be at the former parking garage, right when the parking garage and there was 300 plus parking spots there that all got torn down, you know, and it really created a huge change and stress. I mean even today it took a while for us to find parking and some of our businesses aren't even open yet. And we’ve lost businesses due to Covid.

MALCOLM: Let me ask you a question. Are you talking about the Uptown district are you just talking basically Stockade district?

NOBLE: So we, uh, not the historic Stockade district. That was really somewhat confined, but when we think of the Uptown district, we include places like Dietz Stadium, Kingston Plaza, you know, the Albany Avenue Clinton Avenue intersection. It has really grown from what was traditionally the four walls that were built around the Stockade.

MALCOLM: The reason I ask, mayor, is that unless you’re creating a project with a footprint like you may have down there with Mr. Jordans property. What are the opportunity … iI mean, you’re pretty built out around here?

NOBLE: And that's exactly the thing that we had to think about is that, what spaces do we have that we could build out? And so we looked at this parking lot. And again, parking lots are important. It's 140 cars, you know, it's served its purpose, but we could do so much more with that. And so by envisioning what a multi use space could look like and the concept of building up allows us to really re-envision the Uptown district because we are able to then get everything we want. We can get parking, we can get some more public space, we can get more housing and one of the things that you know, we’ve all seen is that we also have had a really hot housing market. And what it has done is it has created a lack of affordable units for those working families that are working Uptown, to be able to afford to live Uptown and that's not right. And so by creating some new workforce housing and building as part of this proposal, 14 new affordable workforce housing units, that is really important to me as the mayor because that will allow us to make sure that we don't have a lack of employees who want to work in this Uptown.

MALCOLM: So one thing theoretically, with properties in the Uptown area that may have been seized for non payment of taxes. Would the city ever consider creating an EDC in these properties to incentivize people?

NOBLE: Yeah, you know, historically we had the Empire zone, and we still have some businesses and the Uptown area that are part of the Empire down here in New York State. Unfortunately, the state did away with that program. But one of the things that has not been put to us yet, but the President did create the Opportunity Zone. and the Opportunity Zone. We actually have three right here in Kingston different census tract which includes Uptown which is going to help us leverage more investment into this community.

MALCOLM: I guess I bring out because it shows me that the city's not just relying on developers. The city has skin in the game. Is that what you're telling me?

NOBLE: Yeah, and that's what's really worked for us is that you know, not only do we have our own Local Development Corporation, but we also have to be able to make sure that, you know, everything that the city is doing is to help support our businesses. And that has been our mantra, that has been our goal and and I think we've actually been able to have some really great partnerships with the IDA to do that. Really very exciting. stuff now, but we have to all be working together. And that's what makes it somewhat unique is that it's odd probably for a mayor to be standing in front of you as part of a PILOT application. And, you know, I own the parking lot. The city owns the parking lot. It's public space. But in order for us to be successful in the future, we have to be creative and we have to be able to figure out how can we use these spaces, still be able to provide, you know, the parking, still be able to provide, you know, all of the amenities that were and be able to create a tax base.

MALCOLM: Well, it's like you're the PPP stuff that's out there, the public private partnership and you know, people love to utilize the term think outside the box. Well, there is no more box.

RICK: You're a great cheerleader for the project. Overall the project is a great idea and it’s the right time. But I do want to take issue with calling the whole project, the whole residential portion of the project, workforce housing. There’s only 14 workforce housing units.

NOBLE: Only 14 units, yes.

07:31

RICK: The rest of 140 is by your own admission or by the admission of Camoin, high end housing. The range of… and let's get some facts to support what I just said. And again, I appreciate you being a cheerleader. But the average rental in midrange, the median of the rental range is about $1,000 or $1,050.... The cheapest one of the units is going to be $1,500 with a range up to $2,850 something like that, so it's a bit of a canard, if you don’t mind me saying so, to call this a significant addition to workforce housing. I know you’d be an even better cheerleader if half of that housing of 140 was workforce, or 25% percent was workforce and I certainly would be a great cheerleader if it was more than 14, so I just want to correct, not correct, but add a little bit of shade to workforce housing being the thrust of the residential part of this project.

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NOBLE: Yeah, and one of the things that we have struggled with is that you know, you probably heard that Energy Square just opened in Kingston which was 55 plus brand new completely affordable housing units that just opened at the former Midtown Lanes that were on Cedar Street, beautiful 79 families, people were able to move into that building. But one of the things that that building cost $22 million, completely taxpayer funded by tax credits and grants from New York State. What we realized, and me as the mayor, going through this process, is that affordable housing is ridiculously expensive to build. Each one of those units that RUPCO built cost a little over $400,000 apiece to build a unit. And so when we went to the state to say look, we want to put more affordable workforce housing units into this, you know, complex, there's no program to be able to just do 10% or 20% and to be able to help support developers, because there's no easy ways to do that. And that's something that we've shared with the state.

RICK JAMES: How was RUPCO able to get the tax credits?

NOBLE: It’s 100%. So if you are building 100% affordable housing unit, you can get lots of tax credits, lots of project credits to be able to do that. But when you're just building 10 or 20% there is almost no state program to be able to help assist. And so that's one of the things and so, for the affordable housing that Joe is going to talk about today in this presentation, that is completely being paid for as part of the development process. There is no state assistance going into affordable housing, which is rare. I don't know of any other places in Ulster County that has done that yet. And so that is something I've learned because it is really, it's a very complex world. It's something that I wish was easier to be able to manage. But it's a start and I think for me one of the things about this housing that we're creating is that what we've heard is that right now, if you live in a house in Kingston somewhere and you're retired and you're looking for a place to move into, you don't have to take care of the grounds, you don't have to take care of all the yard work. There's almost no place to go and most of those housing, you know, folks, if they're paying a mortgage, they're paying about $2,000 plus dollars a month. Many of the tax bills are somewhere between $8-10,000 a year for city, school and county taxes. And so you take that and you turn that into rental payments, you know you're pretty close to that $1,800-2,000 a month. And so we've already had lots of folks reach out to my office, say, I want to retire in Kingston. I don't want to take care of my 3,000 or 2,500 square foot home anymore. Where do I go? And I don't want to move to Florida. I want to stay in Ulster County and there's no housing in that higher range for me. And I think that that is one of the things, you know Kingston has built more affordable housing than any other community in Ulster County. But we haven't built any, you know, market rate housing and I think that that is where we have seen a kind of a gap

RICK JAMES: I wouldn’t call it market rate housing

EYNON: Will it be zero-energy like Energy Square?

NOBLE: And so Joe can talk more about the project. Thank you. Okay. Thank you very much. I'll run it again.

1:12:04

BONURA: Joe Bonura. So this is a complicated project that we've been working on for almost three years. There's been a lot of public input and opinion and we're going to get through some slides. I'm not going to bore you to death cause we could talk about this project for hours. What I want to start with is two key points because we're here to talk about a PILOT agreement and that's the reason why we're in front of the Ulster County IDA. The PILOT agreement, the reason we need a PILOT agreement, it's all about the parking garage. If there was no parking garage, if there was no parking structure as part of this project, we wouldn't need a PILOT agreement. The housing would be able to pay its own taxes at full assessment. So would the commercial spaces, but because we're building a 420 car parking garage at a cost of almost $17 million that will lose money from the day it's built until the day this project doesn't exist anymore, hopefully 100 years from now, that parking garage is the drag on the economics of the project. Without the parking garage, again, no PILOT. That's a point you have to understand. We just wouldn't be here. There are two choices to make with regard to your decision. We're going to get through all the justifications in a little bit but what you need to realize is if you approve this project, if you approve this PILOT agreement, you're going to get not only the parking garage, but you get all the economic development activities, which we're going to talk about. You get the new housing units which adds consumers to Uptown, you get affordable housing units, you get the pedestrian plaza, you get the walkway that goes across Schwenk Drive, you get new job creation, you get sales tax revenue, there'll be internships created, and the taxes we’ll pay will be the same to start whether you approve it or you don’t. What we're looking for is an abatement on the new construction. So we are proposing to pay the exact same taxes that are being paid right now with increases over time and some other things added in which we'll get to, but if you if you deny the project there's no way for us to move forward. That this is a this is a true but for. Without a PILOT this project is completely, we’re stopped. There's no possible way forward. And I'll show you the numbers in a minute. So those are the two things I want you to keep in mind as we go through what we're what we're doing here.

1:14:21

Okay, so Kingstonian development LLC, that's our company, the Bonura family and the Herzog Supply Company and the Jordans are partnering with the Page family to work on this project. We have a proven track record throughout the Hudson Valley area. Our family has been in catering, restaurant hotel, multifamily housing, of course, you know the Jordan family with the Kingstonian, I'm sorry, the Kingston Plaza, as well as the Herzog supply company. We’ve built projects like this before. Not that this architecture has anything to do with what we're proposing here for the historical Stockade district but we have 136-unit project built on top of a one level parking structure in the city of Poughkeepsie. We built this and finished it in 2017. We operate and own and operate the Poughkeepsie Grand Hotel. It's a 225 room hotel sitting on top of a 250 car parking structure, which we had to buy from the city of Poughkeepsie because it was falling down. Parking structures are usually neglected, they’re money losers, they are not fun to maintain. They take a lot of maintenance, they take a lot of abuse, and they're often neglected and as a result, they sometimes fall down or need to fall down.

1:15:39

So the Uptown Kingston area, this is the space we're talking about. I'm just going to point it out for those of you who aren’t extremely familiar with the properties. This is the existing Herzog warehouse building. This is the old Kingstonian hotel piece, which we'll talk about. This is Fair Street Extension, which will become part of the pedestrian plaza and this is that surface parking lot with 140 spaces right now. It's interesting. It's important to note that that parking lot just paved over what was there before, meaning all the old foundations to buildings are still in the ground. There's a lot of underground work to be done. So there's pieces of Montgomery Ward still down there, there's pieces of the old parking garage still down there. All the old utilities are still underneath the blacktop. I mean,

OTHER: [Some sort of joke.]

BONURA: I don't know the answer to that, but there's a lot of stuff underground that we have to we have to deal with.

BONURA: A little bit of the history. So beginning of the 19th century, this is what the Kingstonian hotel looked like. It wasn't a hotel that we have today. There were pretty much like one bathroom on a hallway and so it's more like a boarding house where you have rooms that we can all share it. But that's how hotels operated back then. The architecture of the building is what's significant in the picture, not the operation. This is what, you know, when the parking garage was being demolished. Back in the late 90s. Okay,

1:16:55

again, we looked at the site today this is just looking at it from a different angle. This is what the building looks like now. Unfortunately, there's no saving the actual structure of the building. The way the floor plates line up, the way that the brick work has been done to the building, it's fine for a warehouse but it can't be resurrected as is as the current structure. So we're going to recreate it and we had some you know, this is just what some of the other buildings look like nearby. You have a whole mix of architecture in Uptown Kingston. So some of our inspiration was Stuyvesant Corner by Fair Street for what the new building would look like. What does Uptown Kingston need? The mayor right went through this: parking, quality housing, hotel and pedestrian connections as well as commercial space.

1:17:38

BONURA: So what are we building? This is the front of what the Kingstonian project will look like both sides of Fair Street Extension where you have the pedestrian plaza in the center. This is an open to the public space that we are building and we will be maintaining for the life of the project. No cost to the taxpayer to have this space open to the public just like a city park would be. On the right hand side you'd see the recreation of what was the Kingstonian Hotel. So these are two storeys of hotel rooms. The height of the building will be what the height of the building is now. This is something that's very important to the historic books. The ground floor will have commercial space, some form of a lobby, restaurant, bar, Cafe kind of thing as well as some commercial space on both sides of the street. And then on this side of the street you have three storeys of residential housing. The market rate apartments are mixed in with the affordable units throughout the building. They’re not all in one spot. The 420 car parking garage which you don't see from this angle, it's built underground. So it's built into the hill. And that's important so it serves the purpose without being in your face. There is a walking bridge over Schwenk drive, which we'll talk about in a little bit.

1:18:53

BONURA: So this is the view from the other side from the Kingston Plaza. This is the bridge that would get an ADA accessible route across Schwenk Drive connecting Uptown to the plaza where people right now. Fair Street Extension is steep. That's not a legal ADA accessible route so that was one of the goals of the project was to be able to get people across the street safe way. You can see here, Fair Street Extension appears to remain. And what it is is really the entrance into the parking structure. So this is the main way in and out and what you're seeing here is the pedestrian plaza cantilevered out over that so as the hill drops off, the pedestrian plaza still still stays level. Okay, this is just a view of what the pedestrian plaza may look like. Again, final tree selections and whether that fountain exists or not is still to be determined but there will be outdoor seating for the businesses to spill out onto and then there'll just be a good amount of open space for people to use and enjoy.

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BONURA: The amenity deck: so this space is reserved for residents that live in the building or visitors staying in the hotel. This is inside the U that I'll show you from above in a moment. So it's not visible from the street. It's not visible from the pedestrian plaza. It's only visible for those who live in the building. And it's accessible by those and this is a place for people to come and grill outdoors because you can't have a grill on your balcony, meet their friends and neighbors, have visitors over, use the pool and part of their their living life experience. So the building, I'm not going to take you through every level because I know we want to get to some more numbers stuff but basically all the way down low is parking. And then as you come up, you have parking and then some apartments start on the Schwenk Drive side, these apartments hide the parking structure. So that’s done on purpose, that you're not looking into a parking structure you're looking at nicer, nicer building facade. When you get to the main level here I'll just going to talk about what the colors are because it's impossible to see anything else. This green space in the middle, that is the pedestrian plaza so you can see it's a pretty large area. We envision this as a place for walking tours begin for Friends of Historic Kingston and other groups as well as we talked about the businesses expanding out with some seating onto it. This is how you get to the walking bridge. The peachy color areas are the commercial spaces that will be rented out. We don't have exact tenants; we have people interested but we haven't signed leases because we don't know if we're going to be able to continue with the project or not. And then you can see over here that's the amenity deck we talked about earlier. Again, this is just a view of the project. And so we're leaving it on the questions slide but I'm going to continue with the presentation and talk about the parking garage finances a little bit and then move through the PILOT worksheet. And then I will open it up to any questions that you have.

1:21:57

Okay, so parking garage finances. So this is all submitted as part of the application. What I want to show you is what this parking garage is going to cost to build and operate along with what the other public benefits are and compare that to what we're asking for for a PILOT agreement in terms of a property tax abatement. So the parking structure and I know we're in a public meeting and there's some some financials that we need to keep a little bit private at this point that would be more discussed in a executive session and you've got those, but the totals add up to $16.8 million for parking structure costs. I just don't have all the line item detail here. If we finance that at 4%

[DISCUSSION IF THEY’RE ALL LOOKING AT THE SAME THING, SOFT COSTS, VERTICAL COSTS]

1:23:11

BONURA: Correct. So this $16.8 million includes all the soft costs, that's not just the steel and concrete of the garage. You still have to have engineer, architects, interest during construction, insurance, IDA fees. So there's an allocation across the building based on square footage of how that works. So all the costs combined for the 420 cars is $16.8 million. If you financed that at 4% for 25 years, it's $1,067,000 payment per year for 25 years to the bank to pay for the garage construction. Then you have the annual expenses between the salaries, wages, equipment, HVAC, etc. of about $268,000. …

ROSE (I think) interrupts to ask if it’s confidential.

BONURA: Okay, I know that's okay. I don't mind sharing this one. This is the this is the reason we're doing the PILOT. And I feel like it's important for the public to see this. If they don't. Without this, why would you give us this PILOT? Well, this is the reason right here. So it's okay for the public and everyone to see this because without this we shouldn’t be here. Okay. Revenue. So we have $312,000 in revenue that we're forecasting and that's between people living in the building, hourly parking, monthly parking, and even valet parking from the hotel. So as you can see, annual revenue of 312, annual expenses without the payment to build it of 268 the parking garage is a big loser. It loses $1,023,000 a year, every year. That's the reality of a parking structure. Okay, so the net cost over 25 years is a 26.5 rounded million dollar loss on just the parking structure itself. Now I want to add in the other public benefits and then we'll talk about the PILOT benefit. So as the mayor said before, affordable housing, we're just lowering the rent on the affordable housing to bring it down to a range of 60% to 110% of AMI. We're doing that with our own funding and that will cost us $97,000 a year in rent that we're just not receiving that we would have received if they had been market rate instead of affordable units. We're also proposing internships at a cost of $20,000, a scholarship of $5,000. There's also the savings to the City of Kingston in the parking lot. The 140 spaces is no longer maintained by the City of Kingston since the new garage is maintained by us. If you add all that up, there's a public… there's a benefit or a cost to us of $1,162,000 a year, which over 25 years is $31 million. That's what this parking garage plus the housing and the internships and the savings on the parking will cost us net of our revenue of the parking. Now if we go back to the property taxes for a moment here….

1:26:22

MALCOLM: REECE??? ??? Scholarships and the internship are they be part of some…

BONURA: potential agreement with the school district.

MALCOLM: That's what I'm trying to get. Right. So they're, they're part of what you view as your approval package. It's not corrected in there because in your view, it's been bargained for it's

it's part of what you're offering.

That's where I will show you those bullet points in a moment.

1:26:46

BONURA: Okay, so back to property tax calculations here. So Dan Baker, who's the city assessor, looked at this project, he came up with an assessed value... Even though the construction cost is much higher, there are pieces of the project that don't generate any revenue and in fact lose revenue. lose money. So he said that his assessment would be approximately $19 million on the portions of the project that …well if he assessed the project as a whole it’s $19 million. At a combined homestead, non homestead rate of 49.09 per 1000, it works out to full taxes at $932,000. That's what we would be paying if there was no PILOT agreement at all. What we propose to pay is what we're paying or what the Jordan family is paying right now to start with, which is $20,488. That's exactly the taxes that are being paid right now. So the PILOT benefit and how this all works into your sheets, starts out at $904,000 a year. Assuming a 25-year period with a 3% annual tax increase, it works out to the PILOT benefit of $28.9 million in terms of property taxes. You can see our costs just on the garage and the public improvements or, sorry, the public benefits is $30,900,000 which shows a negative, meaning this project at the end of the day after the 25 years will cost us an additional 1.9 million above and beyond…

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MALCOLM: The question, Joe, is why? Why? Why do it if it's gonna cost you that kind of money?

BONURA: Because this doesn't show you the revenue from the apartments. So that's what we talked about in the in the meeting that we had in the pre the pre screening and that's the stuff that I think is a little bit more confidential. At the end of the day, even though this happens, by charging the rents we're looking at charging from the apartments, after paying for this, there's still a decent enough return on investment when coupled with the DRI funding and this PILOT agreement in one big mix to make it work. If this was a garage all by itself, just a garage, this is the kind of money that the taxpayers would be paying. Forget the affordable housing stuff. If it was just a garage, it would cost the taxpayers a million dollars a year to build this.

MALCOLM: Nobody's making that kind of …

EYNON: So you’re proposing 420 spaces of which 65% will be open to the public for use -- 277 out of 420?

BONURA: Correct. If we reserved one space per apartment, then that would leave the 277, yes.

1:29:25

EYNON: . And so I guess the question I have is because we’re framing this as being a big parking issue in Kingston, which it is, we had 300 spaces before this was demolished, the existing that required parking spot do we know actually how many parking spaces are actually needed in Kingston right now based on estimates to support business and future business in the city?

BONURA: I don't know a number.

1:29:48

NOBLE: And I think from our perspective, any of the transportation studies that we've had done Uptown have indicated the need for parking. We are unique Uptown that we have a large plaza, adjacent directly to it, where parking is not managed to keep out people really from parking there maybe when they shouldn't or don't have business in the plaza. And so a lot we believe a lot of the need is actually being filled by that right now, and will continue to be and so we know that we need more parking. But we also don't know what the future holds for the future of Uptown. We know that at this point we have 140. We believe that if we double that, you know to 277 ish, you know, we will be able to at least meet our current needs that we have and hopefully some of the future needs but for instance if what we're what we're trying to say to future folks who are coming here like this is the first development that we've had move Uptown that have actually said we're going to put in parking. Everyone else just applied for a parking waiver from our Planning Department in Kingston. So for instance if the Woolworth building ever developed into something, you know, that could be, there could be there's an opportunity there to build the garage behind that building. The County has two large parking lots. If there was ever another need for additional parking, there could be garages built on either of these two parking lots that are here. And so that's one of the things that we're trying to encourage is that we have to continue to start to build up a little bit. Again, we can't go over on that side, we can't go over the six floors it's basically this we are at the peak of the steeple of the Old Dutch Church and so we are very limited and that will make this parking space unique because it is on a hill and so we can go up higher but still not go over the sixth floor level. But yeah, we think that we have a need, we know we have a need for parking, we think that this will fill that need for now, but still, the rest will depend on the future.

1:31:57

EYNON: Thank you. Do you have any idea projecting with this being a mixed use space with retail how much increase that traffic that will bring? So are you kind of just offsetting the increase in people coming to the retail space with these 277 public spaces and it's still not taking care of the other parking issues in the city?

1:32:17

BONURA: That’s very fair question. The retail spaces … it may not even be all retail. So we don't know who the tenants are going to be yet. We have interest from a bank. If the bank takes the space they're gonna use very little parking. We anticipate most of the people using the building to, believe it or not, the residents will park inside. We think the parking, at least the goal for most of the parking, is to get the employees that work Uptown to park in the garage. The reason is that ,as we talked about before, when we came here today to try and park Uptown, the streets are lined with the employees and they stay there all day. They stay in the same spot all day and then a consumer has a hard time getting in and out of that business. So we're hoping that this is going to be the kind of depot of employee parking for Uptown.

1: 33:17

MALCOLM: The post 5 o’clock. I think you hit on it a little bit. Yeah. Rochester is a big city. Right. Right. I was up in Rochester one night for a meeting and basically it seemed like the sidewalks were rolled up at five, six o'clock at night. And that's Rochester. So the beauty of the Uptown and the Stockade district is you know, you can walk around, you can park central and then you can walk around a little bit and you know, that's an a linchpin to create economic development there as well. But there's going to be a lot of questions because it’s big, and it's nothing that anybody's done around here before.

1:33:52

DIANE: Number one, if you’re allotting one space per tenant, what if they have two cars?

BONURA: Good point. So, we thought about that. We're reserving one space, we're not allotting one. So each tenant if they choose, will have one space with a number that’s theirs. No one else can park in that space. The other spaces in the building need to turn over and as well as we have a plaza across the street with a connection. So people could theoretically park in the plaza for free and walk over. People could rent monthly space just like any member of the public could in one of the other spaces. The thought process is there is what Jim pointed to before. That parking spot then is not theirs for all the time, it's only theirs while they’re there. So assuming the reason they would have two cars is because someone works. And so if someone's leaving the building to work, then they're leaving during the daytime hours, and then someone else is using that space during daytime and those spaces will turn over.

1:34:07

EYNON: They will have two cars because they’re affluent people because they’re paying $2,500 a month for rent and they’re retired.

1:35:00

BONURA: Well we have a building just like this in Poughkeepsie now and we operate with an average of 1.36 cars per apartment. And I've been doing it for four years. We have extra parking, we built according to city code in Poughkeepsie, which requires that one per bedroom, plus some for guests, there's a percentage required for guests, and we have surplus parking.

MALCOLM: Well, you’re good landlords and if it changes you’ll tweak it, right?

BONURA: If it changes, we’ll tweak it.

JORDAN: Remember you’re linked to Kingston Plaza to Uptown. You have two business districts linked together so you’ll be able to park and walk...

1:35:00

RICK: So there aren’t 420 parking spots available to the public. Approximating 1.3 per rental unit or 1.5 I use 1.5 you’re really only able to have 200. You suck up 140 units, take another 70 cars for those people who have a second car, that’s 210 subtracted from 420 you’ve got 200 left for the public.

BONURA: I disagree with the math a little bit..

RICK: I don't want you to get the impression that... half a loaf is still half a loaf. But you did make the statement that the reason why you need the PILOT is because you’re building a parking garage for the public. But you’re not building a parking garage just for the public. You’re building a parking garage potentially half of it for the residents of this high end rental unit and the other half are going to be for the public. I would just as soon we have a lot of discussion about how we do the finances around the actual inducement. I would just as soon give you quote unquote 100% of the garage but only for the public, and you all go and do whatever you want with your own money, not the inducement money, do wherever you want with whatever else you want. But keep them separate. In fact that might be… I think you probably know some of the concerns. The number of jobs, it’s the amount of inducement youre asking for, the small amount of taxes you believe you should pay…. Yeah, you’re going to increase it at 3%... and I understand the economics of it I think, and the scholarship . But you really should begin in my opinion to take a look at, is there a way of asking this for for different approach when it comes to inducement. You want a lot more of garage because that's a benefit and you'll take a little bit less on the inducement for the rest of the project cause really the rest of the project is residential $23 million in residential and that's a low number considering because … it's whatever this is this it’s $58 million less than whatever this is also… building the residential retail well that’s kind of all on you, ithe investor. The other piece is being done for the public, for the City. To expect us to support in my mind to expect us to support high end housing and induce that is a real stretch for me and … individuals particularly since our bylaws prevent us from doing any kind of housing with one exception. So, you know we're gonna have to make some adjustments. We're gonna have to come up with a way of doing this to ensure that we don't open up the floodgates for just housing of any old kind of housing and using public money as inducement for quote unquote housing. We have to come up with an estimate. What I’d love to see is for you to sharpen the pencil some more, we’ll help you, and come up with a different way of approaching the inducement to look at more pieces of the project one or more than the other and have The few people that I've talked to in the Legislature about this project they were shocked to find out that you were asking for an inducement on the whole project. They were under the impression that the inducement was only for the garage. Shame on them they weren’t listening when you made the presentation. But this is, Joe, a stretch when it comes to supporting It's not market rate housing. Sorry. This is not market rate. It’s high end. You’re making maket, you’re making a new market for people who can pay this kind of money.

1:40:00

BONURA: Okay, a couple things to respond to there. If we weren't building parking, again, what I said in the beginning, we wouldn't need PILOT. So we're not asking you to support the house. We're asking support the fact that we're building this parking structure and creating public spaces. That's something that you left out what the remaining balance is going to. So we're building all this public space, we're creating these jobs, we're taking on this enormous amount of risk. We're doing it at a loss on the public piece, subsidizing all of that with the high end housing. If we were to just build high end housing on Brad's portion of land…

JORDAN: Which is where we started,

BONURA: that's where we started and left the city piece out. Let’s go back to the slideshow for a minute. You know, just go back and look at what the land looks like here, here. So if we were to just build on Brad's piece, which he owns right now, and we were to build some number of apartments on there, and they all parked in the plaza, we would not need an inducement. We would not ask you to support anything for that housing because we're not taking on that incredible loss. Each parking spot will lose hundreds of dollars per month for the entire length of the PILOT.

1:41:14

EYNON: Well you’re asking for a $1 million almost abatement every year from the taxpayers of Ulster County...

BONURA: Until it’s paid for.

EYNON: …for 200 parking spaces.

1:41:20

JORDAN: But remember, though, that’s opposed to those same taxpayers of Kingston paying a million dollars a year if the City were to build this garage by themselves. This is where this thing started. The city’s been trying to replace that parking garage. If you go to the Uptown business community or KUBA, the business owners and the plaza tenants, you need the consumers as much as you need parking. We’re in a tough spot. There are a lot of vacant storefronts. Real estate prices are going crazy, we all know that. What people are paying for houses and commercial buildings. But that’s not retail storefronts. And look at the storefronts that are still empty. So I would argue that 300 consumers that are going to eating breakfast lunch and dinner every day are as important now more than they were in the beginning when we were trying to address the parking issue. So combine them both To see themselves say as as theDPW chief, the mayor, they ran the numbers it would be $1,060,000 that's and that's why we’re here. Tjat we were not doing it.

EYNON: At least for me I’m speaking for myself sensitivity tpwhere we are right now. The county’s running counties running right now. We don’t really know where the money’s coming from. And so now it's a million dollars a year, potentially, in tax incentives. So in an area where your pain is at a 22.5% poverty rate, with 13% unemployment and the optics of that, also, frankly, I mean, we're in a tough situation right now economically in an area where people are suffering. And, I think it's beautiful, and I think I understand why you're asking, but I think there's just a lot of things to consider about this, given where we are today and the time that we're dealing with.

NOBLE: If I can respond to that. I mean, I think one of the things that we you know, we struggle with that, you know, at a time when we are having financial crises, but around our community, it's very easy to say let's not spend any money. And that I think gets pulled further further and it will keep people from being able to have jobs and you know, so I've been pushing, you know, and seeing the work. I mean, we are continuing to move forward with all of the infrastructure work that we can and even more because we feel like this is what's going to get our economy back up and it's by continuing people employed. And so we think that a $53 million investment in Uptown is actually what really helped take us apart from all of the other communities in the Hudson Valley that may try to retract and retreat where I think we're going to be having kind of this crisis and by making these investments, you know, we are we feel like we would further stabilize our economy and I think one thing that we have to keep in mind is that, you know, there is at least for the city of Kingston's perspective on our marketing department lot. You know, there are no taxes being paid at all on it. And so there's nothing there, unlike a lot of guys is there is nothing that's taken away from it. And so this is actually something that, you know, won't exist if this project goes forward. And so we won't get to chapter 20. And so that is just one unique difference where, you know, some of the other tax payments that come in and get asked for, you know, are just these different than this. You don't deal a lot with municipal land, or you know, city coming to you to say, and you work with me so that I don't have to find a municipal parking garages. And so for cities, you know, they cost for municipalities to build for parking spots. The current going rate is about 30 to $35,000 per spot for a municipality to build a parking spot. And that's a lot of money. And it's something that no mayor before me and I don't think any mayor going forward would be willing to build a parking garage. And if they do, they end up having to create a parking authority and have to take on a lot of debt. So whether it's the Albany parking authority or other places like that, they have to then, you know, pay down that debt and embrace fees and taxes. And he just I don't think we can reset my goal, to not raise taxes. We have taxes in a few years which is great for our community, especially er you know, we are very low on some level. And our poverty rates are high. But we think that this is another opportunity for us to kind of increase jobs. And, you know, I think one of the things that well, we know that we weren't able to get the $15 minimum wage, ourselves something now you know, Joe and his team has committed forever, every job at any job created. I think that that's a really important that's something a lot of local businesses can’t do yet. And so that's I think that's 40 new jobs, right, that, you know, we don't have now that we would have, you know,

BONURA: It could be much more we just don't know what our tenants are gonna bring him in perfectly like this and also

1: 46:56

there's nothing like it

this is like the largest program in Ulster County. Right

1:46:53

BONURA: This is very different when Jim said beginning thinking outside the box, and we were tasked with creating parking that will be available to the public and support this project without a parking waiver. All the other projects in Kingston they'll get a parking waiver use whatever’s parking’s avaialble is available right now. They don't build anything. So build all the parking you need plus add double the parking that we have for the public, with no cost to the taxpayer, and find a way to do that that's still financially viable for a developer. How do we do that? And, you know, back to the sharpening the pencil questions. There's no meat left on the bone. This is the PILOT within thousands of dollars, not millions. And if the answer's no, it's it's no but then it all goes away. There's nothing to be built. This is the DRI goes away, all of that stuff doesn't weigh the all of that stuff, pressure bars all that it just can't happen.

1:47:48

REECE: Also the governor's behind this right?

 behind this, and this is correct.

1:47:58

BONURA: Yes, the governor's office understood all of this economics when we presented as part of the DRI application. The DRI application was applied for by the city but they needed a priority project to kind of show that the private sector was willing to put in money and that the public sector is going to match with their 10 million. But the state wasn't really willing to put in 10 million bucks if they don't see the private investment. So this project was the linchpin in helping to get that. If this goes away, which depends this is your prerogative.