

**Request for Proposal (RFP) 12.20
for the Purchase and Rehabilitation of a City-Owned Property at
120 Grand Street, City of Newburgh, Orange County, New York**

Date of Issuance: Monday, August 24, 2020

Submission Due Date: Friday, October 23, 2020

Introduction

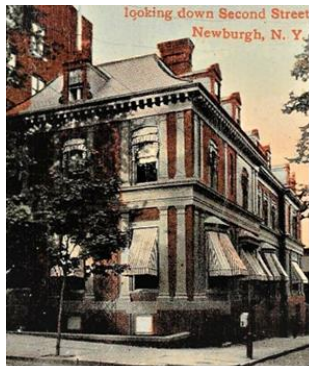
The City of Newburgh, Orange County, New York, requests the submission of proposals for the purchase and rehabilitation of a City-owned property located at 120 Grand Street, commonly referred to as the “City Club” building. A once-prominent cultural and architectural gem in the heart of the City’s East End Historic District, the City Club represents a unique opportunity for the right development team to creatively rehabilitate a long-neglected, highly visible landmark.

Architectural Significance and Current State



120 Grand Street is located in the heart of Newburgh’s East End Historic District. Built between 1852 and 1857, this distinctive brick and sandstone building was based on a collaborative design by Andrew Jackson Downing and Calvert Vaux, both influential voices in American architecture and landscape design. Vaux featured the original structure in his seminal book *Villas and Cottages* as Design No. 22, “Suburban House with Curved Roof” (figure at left).

The remaining foundation and exterior walls still recall the exceptional architectural heritage of early Newburgh, and are supported by interior steel beams. The roof and interior walls have been absent for roughly four decades, leaving the interior space open to the elements and overgrown. The first and second floors are listed as having a combined square footage of 7,128 square feet.



Circa 1910
Source: Poughkeepsie Journal



Circa 1950
Source: Library of Congress



Circa 1970
Photo by Tom Dailey



Today
Source: "Save the City Club" Facebook Page

Ownership History and Usage

The building was designed as the home and office of Dr. William Culbert, one of the country's leading homeopathic physicians, and his wife Henrietta Powell, grand-daughter of a local shipping and banking magnate. The building's two entrances on Grand Street provided separate entries to the residence and the doctor's office. Dr. Culbert authored one of the first textbooks on homeopathy published in the United States.

Upon Dr. Culbert's death in 1890, the building was purchased by Clayton and Charity Sweet, owners of the Sweet-Orr Overall Manufacturing Company, which had relocated its headquarters and much of its factory production to Newburgh. The Sweets sold the building in 1904 to the Newburgh City Club (of which Mr. Sweet was a member), a social organization catering to the City's leading businessmen and politicians. In 1909, local architect Frank Estabrook seamlessly blended a large addition - tripling the size of the building - with the façade of the original residence. The greatly enlarged building not only housed the City Club (and its legendary basement bowling alley), but was also home to the county law library, family court lawyers, and a title search company.

By the early 1970s, with City Club membership dwindling and the costs of building maintenance increasing, the members opted to sell. The Newburgh Board of Education eagerly sought to purchase and demolish the building to improve visibility and access to their newly constructed library/office building at 124 Grand Street (Newburgh Free Library). Through the intervention of local citizenry, the City of Newburgh purchased the City Club and subsequently sold it to Brian Thompson, an influential developer who rehabilitated several homes and apartment buildings in the City's East End Historic District. Thompson succeeded in restoring the building, only to see it devastated by a fire in 1981.

The diminished City Club property was sold and resold throughout the intervening decades. In 1997, hopes were raised once more that the building would be resurrected. New owner Gerry Sanchez, president of the Polonia Development Corp., promoted converting the first floor into a café with the "world's largest magazine store," housing over 10,000 periodical titles. The restoration never occurred. The City of Newburgh once again reclaimed the building, this time through an *In Rem* (tax foreclosure) action in 2016.

Project Goals

The City of Newburgh actively seeks a capable development partner with the imagination, means, and experience to bring a truly exceptional project to life in this iconic space. The City is hungry for projects that advance equitable economic development, ensuring all Newburgh residents can participate in and benefit from the City's transformation.

With guidance from the Mayor's Strategic Economic Development Advisory Committee, the City generally prioritizes development strategies and projects that:

- Create equitable and inclusive economic outcomes and opportunities for the diverse residents within the City;
- Strengthen the City's tax and revenue base;
- Expand job creation, employment, ownership, and small business development opportunities, including targeted support for local residents, minority- and women-owned businesses;
- Create opportunities through real estate investment;
- Preserve and expand housing choices that are affordable for a broad range of incomes (from <30% of income to market rate);
- Build upon the City's historic, cultural and natural assets; and,
- Promote environmentally sustainable development practices.

For this project, the City is particularly interested in proposals that align with the City's broader strategic economic growth and development priority areas. These include, but are not limited to, projects that promote sustainable growth and development in the City's:

- Hospitality and tourism sector;
- Creative and applied arts, including maker spaces, historic and modern trades, crafts, tech and design sector;
- Class A Office Space;
- Mixed use/mixed income property inventory.

The City remains open to any City Club proposal that meets some or all of the above named priorities, follows [Standards for Rehabilitation](#) (one of four Approaches to the Treatment of Historic Properties as established by the Department of the Interior: *Rehabilitation acknowledges the need to alter or add to a historic property to meet continuing or changing uses while retaining the property's historic character*), meets established zoning district requirements (see "Zoning" below), and is forward-looking in its approach to design, construction, and programmed use.

Newburgh is Open for Business

Newburgh is a city of approximately 28,000 residents that is centrally located between New York City and Albany, and within driving distance to nearby regional communities such as Beacon, New Paltz, Kingston, Middletown, and Woodbury. The City is accessed by two interstates (I-84 east/west and I-87 north/south), New York Stewart International Airport, a local ferry connecting to the Metro-North Hudson Line in Beacon, a NJ Transit Line to the south, and the Newburgh-Beacon bridge. Newburgh also has the only deep-water port throughout the Mid-Hudson region.

The City is rich in architecturally significant building stock, historic charm, and natural resources, and has seen a new wave of reinvestment from interested developers in the past decade. All-new leadership and energy in City Hall, on City Council, and across departments and committees has enabled improved communication and efficiency, increased community

engagement, and a renewed commitment to equitable residential, commercial, and industrial development.

Property

The City Club building is prominently located on a 45' x 122' lot (tax map parcel: section 24 block 2 lot 17) at the corner of Grand and Second Streets. The property borders a parcel containing the Newburgh Free Library and the Newburgh Enlarged City School District offices. The famed Dutch Reformed Church (DRC) – designed in 1835 by A.J. Davis and also in need of rehabilitation – dominates the hillside to the north.

The 1841 County Courthouse, which now houses municipal offices and the Heritage Center, and St. George’s Episcopal Church, one of the oldest buildings in the City, are situated across Grand Street to the west. To the north and south, Grand Street is further dotted with other impressive institutional buildings such as the Masonic Temple, and several historic houses of worship.



Base Map: Google Earth

The property is within easy walking distance to Broadway, the Liberty Street dining/shopping corridor, and the revived Newburgh Waterfront, which includes the commuter ferry to neighboring Beacon. Views of the Hudson River can be seen from the east and south sides of the structure. The City Club building overlooks a large municipal parking lot, directly across Second Street.

Zoning

The property is located in the **Downtown Neighborhood** zoning district. The following uses are permitted within this form-based district as designated by P; are permitted pending site plan review as designated by P*. Additional uses may be allowed by special permit.

Residential Uses		Institutional Uses		Commercial Uses	
Apartment house	P*	Buildings, uses or facilities of any governmental unit	P*	Activity facility	P
Cooperative house	P	Cemetery	P*	Adult day-care facility	P
Four-family dwelling	P*	College/university	P*	Bar	P*
Live/work	P*	Community center	P*	Billiard parlor	P*
Mixed use with residential	P*	House of worship	P*	Bowling alley	P*
One-family detached dwelling	P	Membership club	P*	Brewing of malt beverages or distilled spirits primarily for on-site consumption	P*
Residential care facility	P	Museum	P*	Cabaret	P
Row or attached dwelling (townhome)	P	Parks, open space, recreational facilities	P	Child day-care	P
Two- or three-family dwelling	P	Public libraries	P*	Cottage industry	P
Two-family detached dwelling	P	School of general instruction	P*	Drive-thru (bank, restaurant, pharmacy, etc.)	P*
				Funeral home	P*
				Hotel	P*
				Laundromat	P
				Nursing home	P*
				Personal services	P
				Professional office	P
				Restaurant	P
				Restaurant, carry-out	P*
				Restaurant, fast-food	P*
				Retail	P
				Retail, neighborhood	P
				Tattoo parlor	P



A full Schedule of Uses for this district, which generally encompasses the most urban neighborhoods to the north and south of Broadway, is available at

<https://www.ecode360.com/10875666>.

Interested developers are urged to consult the City of Newburgh's Zoning Ordinance for additional information. The **Downtown Neighborhood** zoning district is characterized by residential blocks featuring row houses, the Liberty/Grand Street commercial corridor with a mix of uses and building facades, and mixed-use blocks of residential buildings with shop fronts on the corner.

Historic District Information

The East End Historic District in the City of Newburgh was listed on the National Register of Historic Places, under the provisions of the National Historic Preservation Act of 1966, on August 15, 1985. The City Council adopted it as a local historic district in September 1985. The 445-acre district includes over 2,400 contributing buildings - many designed by some of the most renowned architects of the 19th century. According to the New York State Historic Preservation Office (SHPO), at that time it was numerically the largest historic district in New York State and the ninth largest in the nation.

The Secretary of the Interior's Standards for the Treatment of Historic Properties are common sense historic preservation principles in non-technical language. They promote historic preservation best practices that will help to protect our nation's irreplaceable cultural resources. The Standards offer four distinct approaches to the treatment of historic properties—preservation, rehabilitation, restoration, and reconstruction—with accompanying Guidelines for each. One set of standards will apply to a property undergoing treatment, depending upon the property's significance, existing physical condition, the extent of documentation available and interpretive goals, when applicable.

The Standards are a series of concepts about maintaining, repairing, and replacing historic materials, as well as designing new additions or making alterations. The Guidelines offer general design and technical recommendations to assist in applying the Standards to a specific property. Together, they provide a framework and guidance for decision-making about work or changes to a historic property. For more information: <https://www.nps.gov/tps/standards.htm>

Potential Tax Credits and Tax Exemptions

Since the City Club is situated within the City of Newburgh's East End Historic District, the building may be eligible for the New York State Rehabilitation Tax Credit Program, which is used in conjunction with the Federal Historic Preservation Tax Incentive. The tax credits are

intended to provide owners with a financial incentive to rehabilitate a building in a manner that retains its historic characteristics. Owners can take advantage of credits on both state and federal income taxes, each providing 20% tax credits, for a combined total of 40% tax credits, for Qualified Rehabilitation Expenditures (QRE). The project must meet the guidelines as established in the Secretary of the Interior's Standards for the Rehabilitation of Historic Buildings. An application to the State Historic Preservation Office (SHPO) is required with a review before and after the completion of the renovations.

The project may also qualify for the *Alteration or Rehabilitation of Historic Real Property Tax Exemption* (RP-444a): nine-year exemption given to the increase in assessed value for the portion attributable to the alteration or rehabilitation of an historic property for historic preservation. For the first five years of the exemption, the increase in value (attributable to the rehab work) is 100% exempt from city and school taxes. For the remaining four years of the exemption, the exemption decreases by 20% each year.

A commercial project may qualify for the RP-485-b *Construction, Alteration or Improvement of Commercial Property Tax Exemption*: 10-year exemption applied to the increase in assessed value attributable to the new construction portion of the assessment. In the initial year, the increase in assessed value due to the construction is 50% exempt from city, county and school taxes. The exemption continues for an additional nine years with the amount of the exemption declining by 5% each year (i.e., 45% in year 2, 40% in year 3, etc.).

(https://www.cityofnewburgh-ny.gov/sites/newburghny/files/u153/rp-485-b_instructions.pdf)

New businesses, businesses that relocate to New York, or businesses that expand their operations may qualify for the STARTUP-NY program. Eligibility requires that a participant be a new business in New York State, or an existing New York business relocating to or expanding within the state; partner with a New York State college or university; and create new jobs/contribute to the economic development of the local community. Eligible businesses receive an elimination of New York State Taxes for 10 years for the business and its employees. For more information, consult the STARTUP-NY website: <https://esd.ny.gov/startup-ny-program>

Businesses may be eligible for sales tax exemptions on durable goods and mortgage tax exemption from the City of Newburgh Industrial Development Agency (IDA). The IDA is also empowered to grant a Payment in Lieu of Taxes (PILOT) agreement for businesses that commit to bringing significant job opportunities for Newburgh residents. (<https://www.cityofnewburgh-ny.gov/industrial-development-agency>)

The parcel is located in a designated Opportunity Zone. Opportunity Zones, established by the 2017 Tax Cuts and Jobs Act, seek investments in designated low- and moderate-income Newburgh neighborhoods. For more information on Opportunity Zones in New York State, please visit <https://esd.ny.gov/opportunity-zones>

Site Inspection

A limited inspection of the interior of the property can be arranged by appointment, if necessary. Due to the current condition of the building, an exterior site inspection with a view of the interior

from an opening in a partially boarded window is likely to yield as much information as an interior inspection.



Source: "Save the City Club" Facebook Page

Submission Materials

Respondents must submit 3 hard copies and 1 digital copy (on a flash drive) of their proposal as outlined below. *Faxed or electronic submission will not be considered.* Proposals must be submitted by mail or in person to:

City of Newburgh
City Hall, Office of the Comptroller
83 Broadway
Newburgh, NY 12550

All proposals must be received by 3:00 pm on Friday, October 23, 2020.

The following items, as applicable, are requested to be submitted for consideration for the purchase and redevelopment of 120 Grand Street:

1. **Completed Private Owner Development Application (PODA).** PODA can be found on the City of Newburgh's website: https://www.cityofnewburgh-ny.gov/sites/newburghny/files/pages/poda_form_oct_2018.pdf.
2. **Project Development Plan**
 - a. Narrative summarizing the overall project/proposal including the need/demand for the proposed use, key benefits (public and private) of the proposal, and a vision statement as to how and why the proposed development is the highest and best use of the site.
 - b. Design concept/rendered drawings and elevations. (Detailed architectural renderings are not required but may enhance understanding of the proposal.)
 - c. Specific types of use for the building including the number of residential units, commercial units, whether they are condo/co-op or rental units, etc.;
 - d. If proposing any residential rental units, the number of market rate and/or number of affordable units;

- e. Summary of the square footage by proposed uses, number and, if applicable, size of housing units broken down by floor;
 - f. Provide a preliminary analysis of the access and parking needs associated with the proposed development and how these needs will be met.
 - g. Include, where possible, plans that incorporate sustainable and environmentally sensitive design, construction methods, materials and/or systems.
 - h. State the number and types of temporary or permanent jobs to be created, any job training or apprenticeship programs, and opportunities for local Women/Minority-owned Business Enterprises (MWBE) contractors.
- 3. Project Costs, Funding, and Marketing Plan**
- a. Provide cost estimates detailing anticipated hard and soft costs.
 - b. List of project financing by source, including loan amounts, interest rates, term length, and any special loan covenants/requirements. The proposed financing arrangements must be verified by a letter from the financial source/institution.
 - c. If a project is relying on a PILOT agreement as part of a financing plan, the applicant must provide reasons for including a PILOT, and must provide details of the PILOT's proposed yearly tax contributions and length of term.
 - d. Provide a 15-year pro forma showing all revenues, expenses, debt service, and detailed assumptions (vacancy, etc.).
 - e. Project proposed construction and financing schedule, from closing to occupancy.
 - f. Provide a market study that supports any proposed use(s) and rents.
 - g. Submit a marketing plan that describes how the project will be successfully marketed to reach the intended targeted market sector/population.
- 4. Development Team and Development Experience**
- a. Provide a listing of the development team members, including the developer, project manager, construction manager, architects, engineers and marketing personnel.
 - b. Provide resumes of the principal participants involved in the project.
 - c. All proposals should include a summary of the experience of the project team, similar historic rehabilitation projects that the development team has been involved with, and any previous experience with any City of Newburgh projects.
 - d. Provide a list of all current projects and development commitments for the next 24 months;
 - e. Submit a detailed history of all projects that have been completed in the last five (5) years with an emphasis on projects similar to those being proposed here.
- 5. Purchase Price**
- a. The City will accept bids at the minimum purchase price of \$50,600 (the 2020 assessed value) and above.

Evaluation Criteria

Each proposal will be evaluated based on the information submitted. The proposals will be reviewed by the Strategic Economic Development Advisory Committee (SEDAC), as well as

other relevant City departments. Those deemed “best-suited” may be asked to submit a more detailed proposal, attend a live interview with the SEDAC and City officials, submit digital responses to additional clarifying questions, and/or host a site visit of an existing project for the SEDAC and City officials.

Proposals received within the stated deadline and containing all required information will be evaluated using the following criteria:

1. Quality of the Development Plan (40%)

- a. A project that promotes the physical revitalization of the City’s Grand/Liberty Street Corridor and stimulates economic activity in one of the City’s strategic economic growth areas.
- b. If residential units are proposed, does the developer include a mix of affordable and market rate units that will best address the City’s housing needs?
- c. The overall appeal, quality of design, and materials proposed, and consistency with existing structures in the vicinity.
- d. Design features that promote sustainability and incorporate energy efficient construction methods and materials.
- e. The extent to which the project creates temporary and permanent employment and workforce job opportunities specifically for City of Newburgh residents, and advances/strengthens local minority- and women-owned business enterprises.
- f. Adequate provisions to address any new parking needs as a result of the proposed development.

2. Financing Plan (30%)

- a. A plan that returns the parcels to the tax roll and strengthens the City’s tax base.
- b. Economic feasibility/financial soundness of project budget/pro forma.
- c. Ability to secure project funding/financing (i.e. commitment of funds already in place).
- d. Level of developer cash equity in the project; less reliance on public funding sources.
- e. Offers the greatest economic benefit to the public as measured by the number and quality of jobs it creates; and its ability to stimulate growth in one of the City’s priority economic development sectors

3. Experience (25%)

- a. Developer should have successful redevelopment experience with historic buildings.
- b. Developer must demonstrate proof of having completed projects similar in scope and size.
- c. Developer must demonstrate the ability to complete proposed project in a timely manner.

4. Purchase Price (5%)

- a. Minimum purchase price of \$50,600 (2020 assessed value) and above.

Terms and Conditions

1. The City may, at its option, interview Developers as part of this selection process. However, selection may take place without such interviews. Therefore, applicants are urged to present proposals that are as complete as possible upon initial submission.
2. The City of Newburgh reserves the right to amend its evaluation criteria at any point, at its sole discretion.
3. The City of Newburgh may terminate the RFP process at any time for any reason.
4. The City of Newburgh reserves the right to reject any and/or all proposals.
5. The City of Newburgh has no obligation to discuss its reasons for selecting, accepting, or rejecting any proposals with the proposer or representatives of said proposer, but may entertain such requests.
6. The issuance of the RFP does not obligate the City of Newburgh to select a proposal and/or enter into any agreement. Any submission does not constitute business terms under any eventual agreement.
7. This RFP does not in any way commit the City of Newburgh to reimburse respondents for any costs associated with the preparation and submission of proposals.
8. The proposal chosen will be one that represents the best value to the City of Newburgh. This may or may not be the highest offer.
9. All responses must be received by 3:00 pm on Friday, October 23, 2020. Responses which do not meet this deadline will not be considered.
10. Respondents must submit 3 hard copies and 1 digital copy (on a flash drive) of their proposal by mail or in person. *Faxed or electronic submission will not be considered.*

Questions

Please direct all questions regarding this Request for Proposal in writing to the City of Newburgh's Department of Planning and Development at planning@cityofnewburgh-ny.gov.