

**TOWN OF DELHI VILLAGE OF DELHI
SPECIAL
MEETING
February 6, 2026
5:30PM
HELD AT: E-CENTER**

Those present:

Town Supervisor: Maya Boukai

Councilmember's: Josh Morgan, Christina Viafore, Dan Gashler, Simon Purdy

Village Mayor: Jeff Gearhart

Trustees: Janey Tweed, Ian Lamon, Jeremy Fitch, Barb Sturdevant

Todd Pascarella – President Business Alliance

Supervisor Boukai introduced Todd Pascarella, President of the Business Alliance took over for Ray Pucci in September. Stating he had five months' worth of knowledge about the building. Although he didn't know where every load bearing wall was, he knew a good bit about it, so he'd try to answer whatever questions about the building that he could. Boukai then stated she was on the CDF (Catskill Development Foundation) board, which is the nonprofit entity that's related to the Business Alliance, which was how the whole conversation came about. Boukai then stated she had an update, because she did talk to John at DCEC (Delaware County Electric Cooperative) today.

Boukai went on to say way back when the town started discussing this, she had reached out to Ray Pucci and told him if you ever decide to sell a bill and let us know. That conversation came up about a month ago and DCEC was also potentially interested in the property. She and Gearhart have had a couple conversations with them, basically, it sounds like all options are on the table. Last time they had talked, they were less interested in purchasing it for their use and more interested in purchasing it for the good of the community, but they also didn't want to step on the municipality's toes, if that's what we wanted. But then John had a meeting with his board last week, and the latest development is that their board is open to potentially purchasing this for our use, and there would be some kind of like lease back opportunity. Gearhart added or they would purchase it to refurbish it to our needs and sell it to us. Gearhart added this would be big as they don't have to pay prevailing wages. Adding they are open to just about anything. Boukai said it sounds like they brainstormed at their meeting, and some of this stuff came up during their meeting. They're most interested in, actually, the piece of triangle land behind the parking lot, because it is a continuous lot to what they have. That was their interest in buying the property was less for the building and more for that piece back there. Boukai said she thinks the boards are here tonight just to kind of discuss what everyone's ideas and concerns. Todd was there to answer any questions. This is all very, very preliminary as well.

Boukai then asked Todd if he had notified tenants yet, Todd said he just did today as he knew that this public meeting was happening. He did communicate with the CDF board so that they are not kind of blindsided about, so he just put out a very general memo to everyone today that there's a beginning of a public discussion about potential interest in acquiring the property and just stay tuned for more information.

Village Trustee Sturdevant asked how many businesses were in the building now. Todd stated he thought they had 10 units occupied right now. One is the Business Alliance, and he believed they have two tenants that have leases for more than a year. Delaware Business Systems have a lease for three or four years. Boukai said Delaware Business Systems was November of 2029 and Roman Roasters was through March of next year. Todd said he believes the rest of the tenants are either month to month or they have a lease that's about to come up and then it'll probably just go month to month. Sturdevant asked what the options would be,

the Alliance doesn't want to displace people. Boukai said that's something that she's gotten feedback from the town attorney, and that we would inherit any leases that are still in play. That's definitely something to consider in terms of where people would go. This building was never intended to be a permanent home for businesses. She would be more than willing to help people look for other locations. There are definitely other places that could work.

Gearhart said he prodded the village attorney, and he did send back answers to his questions, primarily regarding the leases. Adding he didn't have time to run these off, but the first question Gearhart had for him was, what our obligation would be to said companies if we were to purchase the building? The answer, which he received back was a successor landlord generally takes the property subject to existing leases inheriting both the benefits and burdens of lease agreements. New York courts have consistently held that a successor landlord is bound by the term of an existing lease. If they have notice of the lease. In this case, the village has actual knowledge of existing leases. Based on New York law, the village would immediately step in as the new landlord under the existing leases. In the rest of the conversation and conversation that he had with the attorney he doesn't necessarily think that that is a bad thing. Gearhart's initial reaction was that maybe we didn't want to be landlords, but the attorney doesn't see that as being an impediment to this moving forward. In fact, he's kind of encouraging us to move forward on this and see what comes in, see what we can and can't deal with this we as we move ahead. You no way shape man reform thinks that there's anything within his estimation anyway that would prevent us from doing that. His initial reaction is rather good.

Sturdevant asked if tenants received discounted leases because they are in this building; Todd stated there's flexibility with some of the leases. Some of them have step-up processes in terms of the amounts, a little bit of everything with people given what their commitment with time was, and what their situation was. Meaning there still is the spirit of the business incubation behind this, some of them, sort of on that track, but, so it's been not your typical landlord tenant situation, like you would find out in the on the market, necessarily, but a lot of them, are kind of set prices and things have been done as fairly as possible, but also giving people the benefit of doubt to try to help them on their way.

A discussion ensued regarding the age of the building which was determined to be 20 years old, the heating system needs a little work, and the roof will need replacing but no leaking.

Gearhart said as they had discussed, this isn't something that's going to happen tomorrow or next month. This is something that would probably take, or have to occur, at least over the course of a year before it was completed, moved in, etc. And he would think that that would give them plenty of time if we didn't want to have the people who are leasing in the building, they can give them plenty of notice they would have plenty of time to find someplace else. Boukai added realistically, she thinks the only lease to be concerned with is Delaware Business Systems. Todd added they're in number four, which is the space in the front. There is a couple of rooms that are of similar size, so they're not necessarily tied to that specific room, and they would probably be flexible to move to a place that may make sense. They do need a little bit of room, and they do have the public coming there too to do services and things. Boukai added that when Todd had mentioned the spot where Roman Roasters are now, they actually have an outside private entrance. Moving DBS there so they have their own private entrance and they're kind of isolated from the rest of us is potentially something to discuss too. Sturdevant asked how many rooms/offices were in the building, Todd responded there are 10 units and there's the front unit where Franklin Eye Wear is located which has four small office rooms off the main room in there, adding there's quite a bit of space. Adding, that was the original Chamber office when there were multiple employees. Gearhart added some of this would have to be adapted to our needs, but he didn't think it's anything too major. Moving a few walls as long as there weren't supporting walls.

Trustee Lamont asked what the asking price was; Boukai responded there hasn't been an appraisal. There hasn't been anything like that. Based on what the building could bring in, is kind of like what they've been thinking in terms of if it was went to the free market, based on cap rate and all that kind of stuff, which was between eight hundred thousand and a million. Todd added if you look at the annual rent that comes in right now, if we were to fully collect everything from the leases, some are probably around \$90,000 plus that it would bring in. And then again, look at what the some of those leases are a little helpful to the tenants in terms

of not quite fully extracting the maximum for them. So, they figured by multiplying the rent by 10, it's somewhere between eight and one million.

Boukai said this is all very new, this was brought up at the last CDF meeting a month ago the potential to sell it. In terms of the owner, it's very new, and we really haven't gone far down that road. Trustee Lamont asked who CDF was as he arrived late; Boukai responded Catskill Development Foundation was the nonprofit side of the Business Alliance. Adding DCEC did mention interest in purchasing the building as well. However, they're mainly interested in the back lot because it provides them with continuous space. But they had a meeting with their board and the discussion for them to purchase the building either be our landlord or then resell it to us, and that way we're not bound by all of the thing's municipalities are bound by. They could step in, purchase it, we do the tenant improvements, and then they sell it to us, likely with something in there for them to use that that lot. But no prices have been discussed. Boukai added her goal for this meeting, at least from the town perspective, she wants everyone to ask her all their questions so she can take them back to the lawyer, because, getting into business with another municipality, what does that look like if we were to rent from someone? Like DCEC, what protections can we put in place? So that it's a long, long-term lease, not, in 10 years, they've grown so much they need to take this over, and now we're out of a facility. So just kind of exploring like different opportunities that are scenarios and asking the lawyer what we can and can't do. Councilmember Gashler asked if DCEC had any interest in our building; Boukai said no. They're kind of in the position they don't want to be a landlord. That's part of what started the conversation. Boukai did mentioned to DCEC that, we would not be keeping our building if we were to move somewhere else, we'd be selling our building, but that's some of her questions for our lawyers, like, can we put an RFP out to see what ideas people get for that specific property that's ours, and what would be the most community benefit? We own it free and clear, so maybe there is some kind of private, public partnership to do something in that spot that's beneficial, but what? What are the ramifications for the town on something like that? These are kind of the questions, because she'd like to send her a list one time, or, two times, not multiple.

Gearhart added one-of the things that Tom Todd had mentioned when we went through the building was that how much of your time is now spent being a landlord rather than director. Todd responded Ray Pucci was amazing in terms of how he seemed to be in three places at once, and there's just a lot always going on with the with the building, with this many tenants, as Gearhart mentioned, the age of it. Adding, the toilet doesn't work, sort of little things pop up when the building gets to this age. There's always seems to be, you know, something going on to keep his attention on. Todd then said the nature of the discussion with the CDF was, our long-term vision to kind of stay put here no matter what we open to, possibilities and the CDF board was open to the idea of parting with the building, if there was an appropriate community use of it. That just sort of started the conversation that's really as far as we are. The CDF doesn't have an attorney working on anything yet, or anything like that. Todd added he is certainly not going to speak to those ends.

Trustee Lamont then questioned Gearhart stating it sounded like he had had communications with the role. Asking, did he have any thoughts? And did the attorney pose any thoughts? As far as you know, what does it look like for two municipalities to own a property together, which seems a little perilous. Lamont added no offense, to which Boukai said she thinks we have the same question. Gearhart stated he's glad to help guide us through this whole thing and work through it so that the proper protections are in place for both sides that. Gearhart then said he knows that it's been done in other places, so he has to believe that it's a doable, workable situation, and given the amount of room that's in here, he honestly believes that even though we would have the same building together, in some ways, we can still sort of divide, so that there is still some distinction between the village and the town in terms of people come in the door and one of the clerks says, "Oh, you need the village it's that way, or you need the town that way", type of thing. There's enough room in this building, it is huge. It's around 6000 square feet. It's it has room for a for a courtroom, a big courtroom, you could even take that courtroom and put in one of those movable dividers so that you could even divide it into two areas, if need be, there's a spot for the police without any problem with and that's really the one that has the separate entrance to it. It really would not be an issue. I think this room, I keep saying this, and I think this really is the biggest selling point, is this room could be a public meeting room where anybody in the village that needs a place to

meet can call reserve it for that date and meet here and have a pretty good-sized space. I don't know if we would need to retain these types of tables or whatever could be done. And then after that, there's. There's plenty of rooms to accommodate all of the village and town, as far as office space is concerned. Lamont questioned public meetings, Gearhart responded the room they were in, Lamont felt it was smaller than any of their current rooms. Gearhart said for our respective meetings it seems like we would need to share. Councilmember Purdy asked if there was a lot of need for the public to which Todd responded tenants use it and various boards meet things like that, so there's a lot of use of the space for public here, there's demand for it beyond themselves.

Councilmember Gashler asked how we sell the current buildings, Boukai answered she didn't know exactly, however, she wants to explore what can we do with our lot that is a potential Public Private Partnership before we sell it and are done with it. Because we do have a building reserve, and it has about \$350,000 in it, so between the value of the land and that, we're in a good position. Regarding the value of the town building and what we have, the town is in a good position. But she hates to see that lot, be sold and then it sits vacant for 10 years. That's where, an RFP for, what could someone come in and do if they maybe, if the land zero for the first five years, and they can build on it, and they pay interest only. She doesn't know the difference between what municipalities can do and businesses can businesses can do. So that's what she wants to explore.

Gearhart said she and he met what, not even two weeks ago to start this whole thing. They've had several meetings, but there's a lot of questions to be answered, because he's not sure, but what this might not even have to go to a public vote for them to do this, to expend that that money. Adding again he is not sure. Boukai stated for the town, we do because it's in a reserve account, and she didn't put it in the reserve account with a public hearing. So to spend it, the town will have to do the public hearing, but we're going through a bonding process right now for a vehicle, so at least have that knowledge under our belt as well. Adding, we don't need to get into nitty gritty of finances at this point. Gearhart answered back it would take a year for this that, least he believes, for all of this to occur and happen, because we'll be going through it, we'll have to have the lawyers advise us as to how to go through this, whatever contracts would have to be drawn up, whatever work would need to be done prior to this. He believed he and Boukai discussed this.

Gearhart then stated in totality, he doesn't see this costing us more than 1.4 million with all improvements. Boukai said yes. Gearhart added that would be the very top end that he would think that we would wind up expending, that would be our best guess. We're not going to find anything else that would serve our needs at that kind of a price. Boukai added it's already off the tax rolls, off the tax rate, because it's on the CDF name, and that's the nonprofit. Gearhart said we would hopefully be putting two properties back on the tax rolls, depending upon what happens with the village hall and with the town hall presently. When you weigh out the negatives and the positives, the positives seem to be greatly outweighing the negatives. On the one hand, if at any point in the process, everyone finds out that it's not feasible or not approval able we can stop the process now, at that point. Trustee Lamont noted on the village side, they don't have a building reserve. Trustee Fitch said they do. Lamont said we don't have that kind of cash for this, so any involvement would require selling village hall first asking if this was correct. Gearhart responded the village can bond to start with, and then pay event off as soon as the building was sold, or at least in part to move forward with it. 3

Boukai stated next year, there is the local government efficiency grant that gives \$250,000 to each entity for something like this. We've already missed it for this year, which isn't a big deal, because she thinks it would take us that long to get something lined up and put together a proposal that's really solid, that it would be really hard for them to turn away. But that's a half a million there with a 10% match.

Gearhart asked Councilmember Morgan as he is also the Village Code Officer what would he estimate village hall's potentially being sold for. Morgan stated he didn't know, he doesn't get in the market that much. He knows that they talked about it, but it is desirable, but yet not desirable, given the back shadow of the county building. But they should be able to pull \$400,000 he thinks, given what the market is.

Morgan added some concerns that he has with this is the public is going to criticize this quite a bit. And we got to spell this out, from A to Z, how it's going to benefit the town, how it's going to benefit the village. Adding we need to gather what our expenses are going to be, such as Village Hall, it's \$250,000 to paint it, they

need a new fire escape, the building is not insulated. What are your utilities cost with that, your expenses, everything. Put it all together. With the town building, we got a leaky roof, siding needs to get painted, our windows are terrible, and we've outgrown it. We need to explain this, how this is going to save us the taxpayers and that it makes sense. He understands what makes sense sitting here talking about it. But we all know how social media and people talk out there are, and we got to show how this is going to save everyone. Sturdevant said to show two properties will go back on the rolls and none will come off. Morgan said show the costs to heat and maintain the buildings. The cost of living is going through the roof, and there's like no end in sight. Adding if this can save a little bit, this will be something good, but we need to really justify and show the public how this is going to happen. He thinks it's a great idea, he's always wanted to do something like this, but also, like all of us, we get along now. What happens when the administration changes? Boukai said those are the tough questions she definitely has. But she wanted to make sure that everyone was at least in theory, on the same page before Gearhart and she spend their time exploring this and incurring legal fees as we start learning this process. If everyone wants to do something else, then fine, she and Gearhart are just here to present the council and trustees ideas and an offer a potential solution. Morgan said we then spell out what the responsibilities are, how it is and make agreements very clear.

Boukai asked if everyone was absolutely anti DC buying the building, she understands she is getting this five steps ahead and leasing it to us, if we were able to protect the town with like, 100-year lease or something. Morgan said personally he believes we need a home ground. They discussed the costs of "fixing" buildings.

Councilmember Viafore said she had mixed feelings regarding the E-Center. She thinks it's great, but she loves the building, the building has done a lot for this community, with bringing in business and then moving out. She thinks it makes sense, it's smart, but losing this, business incubator, this was a big thing as she had once opened a business through their assistance at the E-Center. Gearhart asked Todd if they would still sell it if the municipality or DCEC were not purchasing it. Todd stated it could take some time, but he thinks that, to your point, yes, this building has played a very critical role for 20 years, but also the role that it can play now has kind of changed with time, because it was originally envisioned as the refuge for people who couldn't get internet service or have a space to start their businesses. Adding actually going back reading some of the founding documents, providing just like 13% of the surrounding area had access to high-speed internet so they could go there and get their business started. And then the idea was to then move up into vacant spaces around the town, the sort of fill what needed to be, for those reasons, we don't really see the same sort of movement today, be more cost effective having a small office in their home, or whatever. It's sort of lost that really added benefit to it as the internet is readily available. Viafore stated but you are pretty full, Todd said because the space is useful, people need space. Boukai then added she would also argue that when someone is paying a lot less than market rent, it makes it more attractive. Sturdevant then stated the original intent was you come, you start your business and you leave, and that's not what happened.

Lamont asked how below market is it; to which Todd stated it's hard for him to say, because he just doesn't really know the market here. A lot of the rents have not been increasing very much over time. Also, the idea is to give people a little bit of a leg up so they can start and go. He imagines things would probably be a little bit pricier for the same square footage in the same arrangement. There is a little bit of a refuge here, rent refuge. And if there's the ability to attract those people elsewhere, and that connection is made, then perhaps it works out in everyone's best favor. Todd added they would want to work together to make sure that there's transitions for everyone. He thinks the original intent of it, and original value of it being the gathering place to come and kind of charge up new business ideas and get them out there is taking place with and without us. Viafore then stated it's a great idea. We should do it, but she's coming from the Chamber's perspective of trying to grow businesses and giving them that it would be sad to lose that. Starting as all of these companies, everyone has seen progress through a life cycle that, if not for this building, they would not have had that opportunity.

Morgan stated there are other locations in the village that already do this, helping businesses start up. Adding, there's people investing in our community to have growth with other businesses, and we need to have a little growth too. Gearhart added even village hall if the right person were to purchase it could be a perfect

place for smaller businesses to begin. Lamont then said it just completely eviscerates its original purpose and the historical value.

They all discussed bringing to the community the costs which would be associated with a municipality to repair and work to their existing buildings as we have to pay state rate.

Trustee Tweed remarked Franklin Eye Wear has been in the building for a long time, concerned as to where they could locate. Everyone discussed buildings available in the village. Tweed also questioned is there a place for parking and storage for police vehicles? Because that is one thing the village currently has or would they have to be moved off site? Gearhart answered he spoke with the street garage is not contiguous but its right there, the police cars could be kept there, Boukai remarking both the lots here must be bigger than what the village has now.

Tweed then added it hits all the big things. When people are talking about moving, possibly towards the churches outside of town, it's in the village, it's walkable, it's accessible, and like Morgan said ADA compliant, that's a huge thing. It's hitting those needs. And, if anybody, other than one of our clerks, has had the fun of dealing with someone who's been to the county building, to get to one of either the town or village office and then finally makes it there, reducing that to at least two stops versus three, it would be a tremendous benefit. We're hitting all the benefits. She admits it doesn't sound good to lease like that's the one thing that she's a little uncomfortable about. But like Boukai was saying, if DCEC were to buy it and renovate it and then sell it back to us, or something like that, that sounds almost too good to be true.

Gearhart added as John from DCEC said today, they like the idea of having two egresses from their business here on Depot Street, if they can use that lot, if they can egress from their building in this direction. They're thinking that if they needed an emergency situation if Depot Street was blocked off, they couldn't get their equipment out, but if they had two means of egress that should make them feel a little bit more comfortable.

Trustee Fitch said he's not good with the leasing either. But if we're seriously going to do something, a thorough walk through would be necessary by both village and town code officers doing it. Boukai added we would get an inspection Purdy added that would tell us what we could do for expansion, moving things around, that's something that really needs to be, to be thought about beforehand. Morgan responded there are construction documents it will be the world of determining what you can do with this building.

Gearhart stated the things that we discussed today was that if we wish to do this, and want in fact, go ahead and pursue this, the first step that we should take is to have an assessment. We need to know what it would cost us to purchase the building, or whether it's DCEC or us what, what the actual cost would be. Gashler stated getting back to the point about selling this on social media. There was discussion about expanding our building, what would the cost be? Any ballpark estimates of what it was? Purdy said we have outgrown the town hall and adding that to what we have to spend would likely be a bit of money. The village would have to spend a million. Boukai explained the lack of space at the town hall and also told Gashler and Purdy that the court could get additional funding if they didn't share a space with the town, if they have a dedicated space. Adding, that dedicated space can involve a movable ball.

The discussion of parking came up, and it was stated that between both municipalities we would need the parking spaces. Gearhart stated that it could take the course of the year, giving notice to them (the renters) would be plenty of time to look and find an appropriate space. Sturdevant said it really sounds like it's only one that we're going to have to deal with that's Delaware Business Systems, Gearhart added Franklin Eyewear, Sturdevant said they don't have a lease. Tweed said Roman roasters were the other one, their lease is up in 2027. Gearhart questioned Todd as the two businesses that have the longer-term leases, but all the rest of them are month by month at this point. Todd responded they're all on month-by-month leases essentially, adding the focus would be to make sure that they'd be able to have a relocation plan, things weren't disrupted. Purdy added that's his biggest fear about it is upsetting local businesses. Boukai stated the CDF is looking to sell it, it doesn't matter if it's us or someone else. or someone else. Tweed said if we can highlight how we're facilitating them finding their next home, that would be another win on the part of public opinion.

Purdy said one of the other things that just comes up, as far as a selling point goes is a public meeting room, but it's a lot of space in this building. We could have some other public programming type of space. He didn't know exactly what that would look like, or any details, but that's kind of lacking in this community. We don't have a whole lot of that. A place people can use that could be a selling point as well. Boukai said anything that's community focused opens up the amount of funding available from the state. Gearhart said if we go back to the money again, if we decided to move forward on this go forward like anything else the money has to be there to do so. He has talked with Josh and Maya and making forays into the political arena with those who are running for office at this point and others who are out there that we can go walk with our hat in our hand. The governors pushed for shared services now and unifying savings, cost savings, we can always go right to the top and say, "well, show us the show us the way." Sturdevant said this grant that Boukai was talking about, the five areas that they were concentrating on this year, we were not going to hit one of those. Hopefully when they bring it out next December, it'll be different categories, and we can stand a chance. Purdy said we can search for other grants to which Boukai said the USDA grant that, she was avoiding anything federal at this point because of uncertainty, but there is a USDA grant, and when they're at the conference next week, she'll be able to get a lot more information. Sturdevant said if they get their DRI grant it is walkable. Tweed said if this goes forward, the street frontage along here is kind of dangerous, it's dangerous whether you're walking, riding your bike, or doing anything other than driving a car, and the Senior Center is worse than here. But that would be the next phase, the extension of Main Street, making it a safer, multi-use, more complete street type of approach, but that's definitely down the road.

Gearhart asked if there was any objection to us moving forward? Boukai said the CDF would get the appraisal done. Todd stated the first step would be they'd have the board get together about representation, because he was there to kind of execute and help, but he's sure they'd want to know, want to get the numbers and, we can be helpful in terms of whatever information we have about it for the municipalities. Gearhart said he and Boukai could speak to DCEC again. Both Gearhart and Boukai will speak to their attorneys and get information. Morgan and Sturdevant discussed getting numbers together as far as costs associated with the building. Todd will put together figures.

Adjourn:

Councilmember Viafore made a motion to adjourn the meeting at 6:31pm, Trustee Sturdevant seconded. Motion carried.

Respectfully submitted,

Elsa Schmitz

Elsa Schmitz
Town Clerk
Town of Delhi