

**CITY OF NEWBURGH  
INDUSTRIAL DEVELOPMENT AGENCY  
("IDA")  
MINUTES OF MEETING  
DECEMBER 20, 2010, 7:00P.M.**

**Present**

Board Members: Josh Smith, Chair  
Richard Bedrosian, Vice Chair  
Michael Curry  
John Penney  
Jerry Maldonado  
Excused Absence: Sean O'Shea, Spencer Gulliver  
Administrative Director: Edward Lynch  
Counsel: Thomas Whyatt, Esq.

Guests: Martin Kolt, Active Ventilation  
Jim McIver, C.T. Male Associates, P.C.  
Rachel Andrews and Roy Spell, Foundry II Condominium Board

1. **Roll Call.** Mr. Smith called the roll; a quorum was present.

2. **Proof of Notice of Meeting.** Accepted.

3. **Approval of Minutes of November 15 Meeting**

Mr. Penney: Motion to Approve the November 15 Minutes.  
Mr. Curry: Motion Seconded  
**Vote: Unanimously approved.**

4. **Request for Bills and Communications:** Mr. Curry reported the following bills: \$245 from Robinson Cole (for GEMMA), \$8,840 Oxman, Tulis, \$75 from Darlene McEachern-Tveit for title services. Sedore & Co. \$1,225 (first progress bill for the 2009 Audit), \$4,574.15 from Squire Sanders (\$750 for Dubois II IRS Audit, the remainder regarding GEMMA needs clarification – mortgage modification/default or other). Letter to Squire Sanders for clarification, since legal work on GEMMA should be paid by bondholders, not IDA.

5. **Reports of Committees**

**Governance Committee:** All policies have been posted to the website. Mr. Whyatt recommended reviewing standard PILOT policies, so that the IDA knows the protocols within jurisdictions and can negotiate accordingly. Mr. Maldonado will begin researching model policies that can then be tailored to specific projects.

**Audit Committee:** Sedore's fee for the 2010 Audit will be \$15,750. The 2010 Audit is due March 31st.

**Treasurer's Report:** (also see Bills and Communications above) The Treasurer recommended holding Sedore & Co. and Squire Sanders bills for clarification. The Treasurer recommended paying the other bills totaling \$14,891.84, including the Newburgh Enlarged School District. The opening account balance stands at \$337,587.11; there are no deposits reported as of today. The Bank of America account is \$5667.79; the LNA principal payments account holds \$250.

Mr. Curry: Motion to pay bills recommended by the Treasurer.

Mr. Penney: Motion Seconded.

**VOTE: Unanimously approved.**

Mr. Curry reiterated the needs of the Board regarding bookkeeping, CFO appointment, check-writing, PARIS entries and certification, and other support services that are required. The Board discussed a bookkeeper's hours and parameters of compiling and reporting for PARIS. Mr. Lynch was asked to move quickly to find a bookkeeper.

## **6. Old Business.**

**Bookkeeper Position.** See Above.

**FOIL Requests.** a) GEMMA Bond. Mr. Whyatt reported that the Orange County Finance Department said it would take 20 days to put a response together. b) Mr. Sanchez requested a copy of the July 23, 2010 recorded minutes. c) Blaustein, Shapiro law firm has requested substantial documents relating to the Foundry and the staff is pulling together what it can.

**Website Update.** Mr. Lynch reported that it has been re-organized and populated with more information so it can work on a temporary basis until it is updated to a better marketing tool. Mr. Smith referred to the Yonkers IDA site as a good model.

7. **RFQ for Scobie Drive Environmental Clean-Up.** Mr. MacDougall introduced Jim McIver with C.T. Male Engineering Company and distributed handouts on Four Grant Funding Sources and summaries of reports that are available. Messrs. McIver and MacDougall explained each grant program and benefits to IDA and the City. NCAC will hold a community meeting on January 26 with stakeholders at the Gidney Avenue School. Mr. Lynch recommended that the IDA Board should participate. Mr. McIver gave an analysis of issues facing development of the property. The IDA should apply for the BOA program and put a real number to the clean-up costs. "Swiss cheese" the property for a fatal flaws analysis; investigation of composition of waste, depth, and technical date for a cost/benefits analysis. The BOA should include market analysis as well. Mr. McIver recommended that the IDA be involved as much as possible because a community-based BOA administrator does not necessarily have the same goals as the City. Is the NCAC in a pre-nomination or nomination phase? If the IDA is not involved early on, it will lose it's standing to make recommendations before the implementation phase. McIver believes cost/benefits analysis will indicate best use as industrial, not commercial, and not a mall.

Mr. McIver recommends using \$40,000 of the current BOA for engineering analysis now, before DOS approves the scope of work done already. The State will give guidance and David Ashton of the Department of State would be the contact. Mr. Lynch said the current scope of work is available and has been defined, but specific activities aren't necessarily listed in that scope. NCAC's consultants (WRT) will be in Newburgh on January 17, 26 and 27<sup>th</sup>. The Board discussed retaining Mr. McIver's firm to represent the IDA at the stakeholder meetings and during a special meeting between the WRT and IDA. Mr. Whyatt suggested capping his time at 20 hours. Mr. Lynch suggested fees in line with what the City is paying and should be on an hourly rate.

Mr. Curry: Motion to authorize the Administrative Director to enter into negotiations to retain Mr. McIver as a consultant to the Board at up to 20 hours.

Mr. Maldonado: Motion seconded.

**VOTE: Unanimously passed.**

**Murphy's Ditch:** The Deed from the City to the IDA, conveying the upper six feet of Murphy's Ditch, is ready for signing; the IDA will then convey an easement over that parcel to Newburgh Plaza, LLC. Mr. Smith asked if the IDA would have responsibility for the water quality because the gate is open.

## **8. New Business.**

**Election of Officers.** The Chairman called the Annual Meeting to order, for the purpose of electing officers.

Mr. Penny: I nominate Mr. Smith for Chairman  
Mr. Maldonado: I second the nomination  
Mr. Penney: Motion to close the nomination  
Mr. Maldonado: Motion seconded.  
**VOTE: Mr. Smith unanimously elected as Chairman**

Mr. Maldonado: I nominate Richard Bedrosian for Vice Chairman  
Mr. Penney: I Second the nomination  
Mr. Maldonado: Motion to close the nomination  
Mr. Penney: Motion seconded.  
**VOTE: Mr. Bedrosian unanimously elected as Vice Chairman**

Mr. Maldonado: I nominate Michael Curry for Treasurer  
Mr. Bedrosian: I second the nomination  
Mr. Penney: Motion to close the nomination  
Mr. Maldonado: Motion seconded  
**VOTE: Mr. Curry unanimously elected as Treasurer**

Mr. Bedrosian: I nominate Jack Penney for Secretary  
Mr. Maldonado: I second the nomination  
Mr. Maldonado: Motion to close the nominations  
Mr. Curry: Motion seconded.  
**VOTE: Mr. Penney unanimously elected as Secretary**

Mr. Smith: "Let the Records show that the Current Assistant Treasurer and Assistant Secretary will remain in office."

**Habitat for Humanity Request.** The Mayor received a written request from Habitat for Humanity asking that the City give them the Ann Street Lot. The IDA has not settled negotiations with Mr. Sanchez. Mr. Lynch will draft, and Mr. Smith will sign, a letter to Mr. Sanchez notifying him that he has two weeks to contact the Board or negotiations will be considered completed. A discussion followed as to whether a Habitat for Humanity function would meet IDA's mission and purpose.

**West St. School.** Mr. Smith presented a request from the school to rent parking spaces in the West Street Parking Lot for their staff. This would require preparing the property with fencing, signage, and general maintenance. 'parking 'squatters' would have to be reasonably notified and removed if necessary. Sidewalk repair needs to meet code and go out to bid with an RFP. Mr. Penney will find someone to install 'no parking' signs. The RFP will be for 'spec' and Mr. Lynch will check with Mr. MacDougall about RFP wording.

**Foundry II Update.** Rachel Andrews and Roy Spells (President and Vice President, respectively) of The Foundry Board presented the Settlement Agreement between the FDG and condominium board. FDG is requesting a 10-yr extension with no restrictions. The construction lender, Imperial Bank, went bankrupt; there are foreclosures and litigation which might take several years to resolve. Ms. Andrews reviewed the payout timeline. Mr. Whyatt questioned the finance consequences on the Deed; the Condominium Board's attorney will call him directly. The Condominium Board doesn't know if the original stipulations with Polonia were met or if they were transferred to FDG. There was a discussion of whether in-kind services had been provided. The Attorney General's office has seen the Settlement Agreement. Deed corrections might be needed. Condo board is asking for restrictions, but in general agreement with the timeline. Mr. Curry suggests that an extension could be granted to FDG only and not any successors. An update should be provided by Mr. Weiss at the January meeting. If Condominium Board's attorney advises that they come back to the IDA board, Mr. Whyatt said now is the time. Mr. Maldonado suggested, and the all were in agreement, that both parties provide an update at the next meeting. Ken Jacobs, Esq. will contact Mr. Whyatt.

**Active Ventilation Products, Inc. ("AVP")** Martin Kolt, President and CEO of AVP, distributed a description of the company and its products (some of which are sold in Home Depot). AVP has been in Newburgh since 1981. It employees 20 people, some of whom live in the City of Newburgh and walk to their jobs. AVP currently rents to lease, with a March 1, 2011 option to purchase. AVP would like to enter PILOT negotiations with the IDA to stabilize the tax expense. Mr. Kolt gave projections for growth and employee hiring. Using a current annual sales base of \$1.5mm with growth projections of approximately 5 employees per \$500,000 per year, he estimates 45 employees by 2015. AVP is a member of the Solar Consortium, and has many patented devices. Mr. Smith suggested that Board members visit their facility and Mr. Maldonado noted the importance of attracting green jobs.

Mr. Whyatt described generally how the PILOT could work. The IDA would take title to the building, and the City Assessor could then remove it from the tax roll so that the annual payments for 10 years could be approximately \$12-13,000. Mr. Kolt intends to make improvements to the building, which would increase its value over time.

Mr. Whyatt has spoken with the State Comptroller's office and confirmed that the IDA would be authorized to enter into a PILOT agreement. Mr. Curry noted that there would be an annual reporting fee as well as an Application Fee and legal fees for the PILOT agreement.

Mr. Maldonado: Motion to authorize Mr. Whyatt to begin PILOT negotiations  
Mr. Penney: Motion seconded  
**VOTE: Unanimously approved.**

A Governance Committee meeting will be scheduled to research and discuss developing a uniform pilot agreement.

**9. Next IDA Meeting.** The next meeting will take place on Tuesday, January 18 due to Martin Luther King Day on the 17th.

Mr. O'Shea: Motion to Adjourn.  
Mr. Penney: Motion Seconded.  
**Vote: Unanimously approved.**

**10. Executive Session**

Mr. Maldonado: Motion to enter into Executive Session regarding a matter of property on East Parmenter Street and contracts.

Mr. Penney: Motion Seconded

**VOTE: Unanimously approved**

