

City of Newburgh IDA Board Meeting

Minutes for Meeting on Wednesday March 4, 2009

Board Members Present

Josh Smith

Michael Curry

Jerry Maldonado

Jack Penny

Richard Bedrosian

Sean O'Shea

Lourdes Zapata, Administrative Director

Tom Whyatt, IDA Board Legal Counsel

Board Member(s) Absent

Spencer Gulliver

Others Present

Ian MacDougal, City Planner

Albert Weiss, Foundry Project

Corrections to Minutes from February 17 Meeting

A). *Michael Curry requested that under subheading E), that the CDA (Community Development Agency) is also a part of the LDC (Local Development Corporation) and requested a letter to the LDC, including sending it to members of the CDA. Josh Smith explained that on the subject of tabling the extension request on the Foundry, he stated that this motion should be recorded with the words "without prejudice". Lourdes Zapata mentioned that her being present at this meeting was not listed, which she did attend. Adoption of the minutes passed unanimously.*

I. Presentation by the City Planner

A). *City Planner (Ian MacDougal) gave a brief presentation that essentially notified the board of various workshops and events that may be of some interest to members to attend.*

II. Presentation by Albert Weiss of the Foundry Project

A). *The board members individually stated many concerns on the construction work going on in the Foundry. Jerry Maldonado requested further information on their financing. The director (Lourdes Zapata) stated that the current extension is for one year ending at the end of 2009. Jack Penny questioned Mr. Weiss of the duration of the construction on this project. Michael Curry questioned Mr. Weiss on the issue of meeting benchmarks on the construction and if they are meeting the timeline towards completion; he also expressed his belief that the courtyard should be included in the CO (Certificate of Occupancy). Jerry Maldonado asked for the reason for the delays and if the extension is recommended how long will it take to resume building. The IDA Board's Attorney (Tom Whyatt) questioned Mr. Weiss about the financing agreement and whether they would need a twelve or twenty four month extension. Richard Bedrosian asked whether all the units have to be complete before buyers could move in.*

B). *Mr. Weiss stated that that he is receiving \$6.9 million dollars for the Foundry project, and that currently he had used \$ 2 million dollars from these proceeds on this project thus far. He estimated that he has approximately \$4.9 million dollars remaining. He stated that the problem he is incurring with new construction over an existing historical building- he has hired an engineer to assist on this. Though the bank is pleased with the progress, he expressed his concern that units on each floors have to be completed before they can be shown to prospective buyers, which is slowing the purchase of individual units. He stated his concern that the bank will need a timeline for any extension of credit, and when the extension is granted then building on this project can resume- which would take about a month or two. He also stated that before a CO can be given that he needs to complete common areas which would include hallway lighting, sprinkler systems, fire alarms, exit areas, etc. Expressed his desire to complete the courtyard for the marketability of the project, and appease the concerns of the Foundry residents. Mr. Weiss requested from the board an extension through December 2011 (27 months).*

C). *The IDA Board Chairman (Josh Smith) asked for any additional questions from the board and stated that after conferring with the board's attorney, that the board would get back to Mr. Weiss. The chair requested that the director put this issue as an agenda item at next months meeting.*

III. Property on 132 Broadway

A). *The board's attorney expressed to the director that the board has an interest in having input on the future direction of the property on 132 Broadway. Michael Curry asked whether there were documents or items of discovery on this property that have not been answered. Jerry Maldonado mentioned about a letter by the former IDA Administrative Director Robert McKenna related to this property, and asked why a*

property that was valued at \$150,000.00 was carrying a mortgage valued at \$2.1 million dollars. The director answered that some of the properties on this project were acquired privately and were included in the valuation of the mortgage. Michael Curry suggested that all the minutes in 2006 be photocopied and scanned. Jerry Maldonado requested that the resolution in acquiring this property be available, any of the minutes of the meeting in 2007 relating to this, and any information relating to environmental testing on the site- which would include the results. The director stated that the 2006 minutes were available, but was not sure about any minutes in 2007. She also said she would look into the other requests. The chair stated his concern about the environmental impact of storm drainage seeping from this site bringing toxic pollutants through Broadway and ending on the waterfront.

IV. Report of Treasurer

A). *The IDA Board Treasurer (Michael Curry) is concerned about overdue bills when the IDA's responsibility to pay for a particular liability is in question. The treasurer filed an authorization form for training to use the Paris Software System; he will be accompanied by the director who will also attend this training. The treasurer met with the auditors who are performing the IDA audit for 2007; mentioned about an EDA Grant from the Department of Commerce. Discovered two leases- which one of the building is on 4 Corwin Court, where ownership of this building has not been identified. The lease pays the IDA \$100.00 per year. There is another building on 115 Dixon Street, but income on this building is unknown. The issue of the settlement terms on the Savoy Lawsuit and the disposal of IDA property conveyed to the OCCC project were discussed. Jerry Maldonado requested that the director go over the city personnel salary expenses paid out of IDA funding for the years of 2007, 2008, and 2009. He asked why the city did not cover these funds through the general fund, without funding this through the IDA. The director explained that these costs were covered initially through CDBG funds, which was the information she received from the city comptroller. The chair stated that he wants to know who signed off on these allocations, which the director replied that the ruling from the prior IDA board allowed these allocations as proper expenditures from the IDA. Jack Penny asked the director whom makes the decision whether these are expenditures that should be paid against the IDA funds. The director stated she will look more into this issue with help from the city comptroller. She also stated that by her estimate between \$500,000.00 and \$600,000.00 is still due the IDA. Jerry Maldonado inquired about what the next steps are to satisfy the board and suggested that the board be included with any discussions with the comptroller in the form as an audit committee, made up of the treasurer, Richard Bedrosian, and Sean O'Shea. The IDA attorney requested information on the RFP's for accounting services (2008 IDA audit) and consulting services relating to land use in the master plan.*

B). *Jerry Maldonado brought up the issue relating to the location of the IDA records; the chair mentioned that he has been in touch with Betsy McKean, City Records Administrator, and she has found a location within the Heritage Center that is secure and*

available. The director stated to the board that there will be a cost to the IDA for indexing and recording these files. The chair made a motion to the board to move the files to this location, the treasurer seconded, the motion passed unanimously.

V. New Business

A). Richard Bedrosian handed out newspaper clippings related to the developer for Kohl's Department Store construction project of a few years back, requesting an easement on city property; the director mentioned infrastructure projects under the federal stimulus package; Jerry Maldonado asked about a "wish list" of infrastructure projects that would be considered as "shovel ready"- specifically Robinson Avenue and Liberty Street. Jerry Maldonado questioned the city planner about whether there is a Newburgh Area mass transportation study, specifically a proposal to link the waterfront with Broadway to Stewart Airport. The IDA attorney discussed the issue of indemnification; Jerry Maldonado suggested that we use the city website to post IDA information. Jerry Maldonado motioned to end the public portion of the IDA meeting and go into executive session.

VI. Executive Session

A). Personnel

B). Consultation with Legal Counsel

C). The chair called a motion to end meeting, Sean O'Shea seconded, the motion passed unanimously. Meeting ends at 11:20PM.