

**City of Newburgh**  
**INDUSTRIAL DEVELOPMENT AGENCY**  
**(“IDA”)**  
**MINUTES OF SPECIAL MEETING**  
**July 23, 2009**

**Present**

Board Members: Richard Bedrosian  
Michael Curry, Treasurer  
Sean O’ Shea  
John Penney, Secretary  
Joshua Smith, Vice-Chairman  
Jerry Maldonado  
Thomas Whyatt, Esq., IDA Counsel  
Excused Absence: Spencer Gulliver

1. **Roll Call.** Taken.
2. **Proof of Notice.** Accepted.
3. The purpose of the Special Meeting is to discuss the agenda for the IDA presentation at the August 13<sup>th</sup> Work Session of the City Council (confirmed for 6pm). Although not technically required in this instance, the Board agreed that a Public Notice will be posted in the customary fashion.

JS: There will be no discussion of the Article 78. Since this new IDA Board has been sitting for almost a year, a good suggestion would be to give the City Council a report on where we’re at, what we’ve discovered, and why we are where we are. It would also be appropriate to officially present them with the 2007 Audit.

JM: I suggest we do a concise PowerPoint of all the points we want to make: challenges, audit, potential project partnerships with the City, then open it up to discussion.

JP: We need to establish with the Council that this Board exists, that we need an office to work out of.

JM: Important to articulate where we want to move forward.

SO: It is good public relations to address what we’re working on. My problem is that we don’t have an administrative staff to do the ground work.

MC: Our function is to provide services to the City – to be a vehicle to persons who can employ people, to be a reason why businesses should move here. The best way to portray our situation is to get quickly to the Grant – somewhere between \$1.75 million and \$900,000 that has been sitting since 2003. This IDA is ready to pass it through to the city as soon as we get control of our records. We need 3 or 4 other things to accomplish that.

JS: The Council needs to know that we have an agency (the IDA) that is classified as “delinquent” by the State. We were not told that it was in delinquency. It was our first obstacle. And we can’t solve it without administrative assistance and without full access to our records.

JP: We need to establish where the Council stands with us.

DB: Define what delinquent means so they understand.

JS: We would have difficulty issuing a bond. Even if we talk about specific projects, what can we accomplish given our current delinquent status?

JM: We've accomplished some things; we have a vision, we've re-written written our governance procedures. We should clearly articulate our challenges and what we expect from the Council. Identify 2 or 3 big projects we want to work on. We need to be engaged in those discussions. Do we have the Council's support to get these 3 or 4 things done? We have to also find consensus among ourselves.

MC: The Charter grants the IDA those services, such as having an administrator, and being indemnified. We are sensitive to the City's budget situation. We don't intend to eat up time or funds. We'll help out where we can.

JM: The Charter isn't explicit enough. We need to be able to respond with what we need, how much time and services we will use.

SO: We should limit speakers to the Chair and committee heads. This establishes the groundwork and what we've done. Then the Chair can go through items.

JP: We need a staff, a place to work, and access to the records. We need to be certified. We need the support of the City Council.

MC: The administrative work now being done is purely 'remedial'. The IDA is 2 years behind. We are doing 'catch-up'.

JS: The records this IDA obtained from the former attorney are now at the Heritage Center. They are legal attorney-client records. But we still need financial records and other original records that were in the Planning Department office in City Hall.

JM: As the Director of the NYS Authority Budget Office stated, this IDA needs access to and ownership of all of our records, whether or not they are intertwined with other items.

JS: There was organized 'obstruction'. The Council needs to know that was done on their behalf

SO: The Council needs to know that we're a body working together.

JM: My concern is that during the presentation, we lay out our agenda quickly and precisely. What's our vision? What are our projects?

JS: Another authority format is being considered by the State for public authorities. Board members are responsible for protecting the 'bottom line' of the agency. The Governor advocated these changes, and the City is going to have to accept the fact that we report to the ABO, which will have subpoena powers under proposed legislation. It might be in effect within 90 days. The past IDA never met requirements for training, for reporting. It was pure and simple obstruction,

MC: The IDA was asked to pay 100% for the Department of Economic Development office in 2007. And almost 100% in 2008. Yet they didn't perform required reporting for the Agency, much less bring us one new project.

DB: We should not be combative. Present a history. They will figure out what we need. We don't need to ask. Tell them that the rules have changed. That we need certification so that we can function as an agency.

MC: Our 2007 PARIS is in excess of 120 man-hours. That's not a small thing, but it has to be asked for.

JM: That's under administrative support. Identify one or two specific opportunities so that we have a strong partnership. Other entities are looking at Pierce's Road, for example.

JS: On at least 2 occasions our attempt to discuss that project was sabotaged.

JM: We should bring that memo from the City Planner Ian McDougall.

TW: Carchietta properties have been taken by the City, and that wipes out all interests (such as IDA).

JM: this presents an opportunity for the IDA.

MC: The City Auction list: The IDA should be the first party the city asks before disposing of any specific property in another manner.

TW: There is a specific provision in the Charter to transfer city properties directly to the IDA for the purpose of development. This expands beyond foreclosure takings.

MC: This IDA also requests multi-departmental assistance to identify properties we have an interest in. Some of the property we do hold, it's my opinion they were transferred to the IDA for the benefit to the City. We should not be paying insurance on them.

JM: It is mutually beneficial that we hold some of these things, but we cannot carry indemnification.

JS: Even if they choose not to indemnify us. This only became an issue because we asked for a copy of an invoice.

TW: Perhaps you should designate an IDA member to attend regular city council meetings. If someone meets and reports, asks questions, answers questions that would be establishing a good relationship. Regular IDA participation gives the IDA and Council a chance to interact more frequently. Enhanced communication will benefit all parties. It is something you can do for awhile. Another thing: the Charter makes the IDA a major component of the economic development department. This is what they budget. The fact is that you're going to be meeting with the people who decide how much money will be spent in that department. This pretense that the IDA has to pay its own way.....that would be a council decision which I doubt was ever made. The budget does not project income from the IDA. It's been a shell game under their noses. There is a legitimate role for the IDA to play.

[There followed a general discussion of the hiring status for the permanent Director of Planning and Development, how applications are being received, candidates vetted and whether IDA should be participating, since as Administrative Director for the IDA it is a substantive position.

There followed a discussion of the LDC, its default filing status with the state, the IDA's participation on the LDC Board, and potential uses for the LDC if it comes into compliance. As a non-profit it can receive grant money. The CDA is a similar situation.]

JM: We have a decent presentation list; a lot of it is administrative.

Projects: Carchietta site, Scobie Drive, city-owned properties that have development potential, as promulgated in the Charter.

Project Opportunities: the LDC

MC: The West Street Project, EDA Grant. They are working on it. I think the Comptroller is planning on filing it on our behalf.

TW: You want the IDA to be part of that process. There's a \$1.7mm grant out there and you don't know why it didn't come in 4 year ago. It's listed as a liability on your books. This should be put onto the table, even if the work is being done by other departments. You should be at the table with the Comptroller.

TW: The Leyland project. We're prepared to open a dedicated account for that borrowing (at City's request) for the E. Parmenter project. The City needs to deposit the funds into our account. If it hasn't closed by August 13, you should tell the city to move.

JS: The Foundry project and as coordinated with the Attorney General's office.

TW: We're about to do the 2008 audit. The IDA should ask the Council to do whatever it can to assist in providing access for the auditors to what they need and whenever they need it.

MC & SO: Recommending the auditors to be hired for 2008, 2009 reports should be added to our Agenda for our next Board Meeting.

SO: Let's close the suggestions and see how we'll organize -- PowerPoint or Agenda Item.

JM: we have Consensus on History, Consensus on a One Page Handout, Consensus that an Outline can be expanded on. We're giving them the audit. Highlight portions, specific items that we want to call their attention to.

#### History

Leyland Alliance/Habitat Loan  
Foundry III Extension and AG's office

#### Administrative support

- Office Space
- Meeting place
- Personnel for PARIS
- Separated staff for Fiscal operations – controls
- Effort among department to identify properties (we have differing lists)
- Access to our records
- Indemnification
- Invitation from Council for IDA rep to report better communications
- Full Access for auditors who prepare 2008 and 2009 Audits
- Control and access to the original documents

#### Project Opportunities

- Pierces Road
- Scobie Drive
- 132 Broadway
- West Street Project and Grant
- LDC and collaboration
- Provan (9W)
- Jonas Automotive Site (off Wisner)

Board agreed that Sean and Mike should get checks from Tara and make deposits as soon as possible.

Board questioned if the city owns the Brick Building on Mill St.

TW: Litigation Update: We have responded to the Motion to Dismiss, and it was filed last week. By the time we meet on the 17th, the matter might be fully submitted. We're not foreclosed from discussion this with the City Council.

A general discussion followed as to who will make the presentation on the 13<sup>th</sup>.

JM: Motion to Adjourn

JP: Seconded

**VOTE: Unanimous Vote to Adjourn the Meeting**