

**City of Newburgh
INDUSTRIAL DEVELOPMENT AGENCY
("IDA")
MINUTES OF MEETING
FEBRUARY 23, 2010**

Present

Board Members: Richard Bedrosian
Michael Curry
Spencer Gulliver
Jerry Maldonado
John Penney
Sean O'Shea

Excused Absences: Josh Smith
Administrative Director: Courtney Kain
Counsel: Thomas Whyatt, Esq.

1. **Roll Call.** Mr. Bedrosian called the meeting to order. A quorum was present.

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

3. **Request for Bills and Communications.**

Mr. Curry presented two invoices (a tax bill from the Town of Newburgh and a legal bill from Oxman, Tulis). An invoice from Tarshis, Catania will be reviewed by Mr. Curry and Ms. Kain for the March meeting. There is a request from the auditors for additional documentation.

Mr. Curry: Motion to pay two bills

Mr. Penney: Motion seconded

VOTE: Unanimous approved

4. **Approval of Minutes of January 19 Meeting.**

Mr. Penney: Motion to approve the minutes as corrected.

Mr. O'Shea: Motion seconded

Vote: Unanimously approved.

5. Mr. Bedrosian introduced the City's newly-appointed Corporation Counsel, Bernis Nelson, Esq. Ms. Nelson will be working closely with the IDA on economic development issues. She has already met with Mr. Wyatt regarding the West Street Project.

6. **Reports on Committees.**

Treasurer's Report. Mr. Curry thanked Assistant Treasurer O'Shea for covering the January meeting report in his absence. There will be a full Treasurer's report at the March meeting.

Audit Committee. A meeting is scheduled with the auditors to address their request for documents.

Governance. Mr. Maldonado reported that there was no meeting. There will be a report for March. Ms. Kain asked for copies of the governing policies to satisfy the auditor's request.

7. Old Business

IDA/City Council Working Committee:

- Pierces Road/Dupont Site BOA: City Planner Ian McDougall introduced Hal Kahn, representing Mr. Littman of Hudson Valley Lighting, Inc. (“HVL”) and Thomas Olley, of Thomas Olley Engineering and Planning. Mr. McDougall gave an overview of the HVL’s proposal, which is a holistic development approach, covering approximately 90 acres (assuming HVL purchases the property it is currently leasing). HVL currently employs 135 in New Windsor and operates internationally. The proposed development would be HVL’s East Coast headquarters. A proposed 300,000sf building would generate 200 jobs. HVL’s business is dependent on the kind of labor force that Newburgh can provide.

Mr. Kahn presented the personal credentials of Mr. David Littman, who is travelling on business. He spoke about Mr. Littman’s philanthropic generosity and his ongoing commitment to investing in the local community.

Mr. Solley gave background information on HVL. The current New Windsor facility operates four manufacturing companies selling to major corporate clients. The 300000sf space would consolidate operations for manufacturing and distribution. HVL has broken ground in Los Angeles for a West Coast distribution center; this site would be the East Coast center. The 90 acres would allow for future expansion.

Environmental Issues. Mr. MacDougall reported that the Dupont cleanup is moving slowly, with Dupont challenging DEC requirements. The EPA is examining 300 barrels found on the boundary between DPW and Dupont Site. There was a discussion of the degree of contamination, field survey and topographical hindrances

Topographical Issues. Mr. Solley said the IDA site configuration makes it difficult to develop a 130,000sf building, but if the DPW and IDA sites are viewed as a single entity, this creates usable space. Alternative siting for the DPW would be required. Mr. Solley stated that as long as the Dupont site has been cleaned, Mr. Littman is willing to develop that site as well. He showed a concept plan, with distribution space and office space. It would be a cohesive plan in a modern industrial-looking facility. Mr. Maldonado questioned that particular configuration. Mr. Olley said these are general concepts, conservatively approached, looking at topography, wetlands, and Gidney town creek.

Mr. Penney asked for a timeframe. Mr. McDougall said resources are available to move quickly, and the time constraints are environmental factors. Mr. Maldonado noted that the Working Committee consensus is that Newburgh needs a larger employment base. He recommended not mixing the long-term development vision with the immediate need for jobs, and to be realistic in terms of timing. He said the City needs a strategic approach.

Mr. Olley will deliver HVL financials and current operating information after Mr. Littman returns. Since the expanded space requirement is imminent, a soft deadline would be within the next few months. Mr. Whyatt gave a brief primer on anti-piracy laws. A Community Benefit Agreement had been discussed at the Working Group, and there is general consensus that an Industrial Park is an appropriate use of the land.

- Armory Acquisition. Mr. Kain reported on the site visit with technical professionals and developers. She is compiling the comments which will be forwarded to the City Council. An engineering firm is being selected for the environmental due diligence. The City Planner discussed the methodology for studying the feasibility of consolidating city services at the site. Ms. Kain reported that the Office of General Services has indicated that there is no penalty to the City if it decides to give back the site to the State. Mr. Maldonado asked the status of the financial calculations. Ms. Kain explained the process, and Mr. Bedrosian noted that the Armory development can be phased in.
- 132 Broadway. The City Council rejected all of the proposals and recommended working with Pace University Land Use Department to develop an RFQ process for the site to develop it as a “model”. There is a Ford Foundation grant to work on these projects.

There was a general discussion about the benefits of continuing the Joint Working Group to collaborate. Mr. Whyatt noted that the possibilities reinforce the need for IDA certification. During a discussion about sales versus leases, Ms. Nelson noted that long-term leases are the best way to retain control. Mr. Penney said that leases are not always in the best interest of the City. He referred to PILOTS, such as Corwin Court and others and stated that history has proven the City is not in the real estate business.

2010 Budget. The Audit Committee will meet before March meeting to prepare a recommended budget.

Murphy’s Ditch. Mr. Whyatt will review the agreement for approval at the next meeting. The wording must be clear that the IDA has a lien on the other 2 pad sites.

EDA Award – The EDA is requesting a formal declaration of the intent of the IDA. Ms. Kain said there is a 30-day timeframe, with no further extensions. The Title Opinion and Engineering Report still need to be completed. Mr. Whyatt and Ms Nelson prepared Resolution No 1-2010, Termination for Convenience. Mr. Whyatt outlined the easement issues and deed components.

Mr. Penney: Motion to approve Resolution No. 1-2010

Mr. O’Shea: Motion Seconded

VOTE: Unanimously approved.

Verizon Building Inspection.

Mr. O’Shea asked that an ad hoc committee conduct the site visit. Mr. Penney said that since the Armory became available, the IDA’s interest in Verizon might not be relevant. There were general questions about the kinds of private companies that might be interested, the risks of leasing versus owning, tax advantages, and the framework for the Excelsior Program, which will replace Empire Zones. Ms. Boyle will coordinate the inspection date with Joann DiBono of Verizon.

1 Corwin Court. Ms. Kain showed a spreadsheet on all of the PILOTS, calculations and whether or not payments are current. She and Mr. Curry will review 1 Corwin Court.

IDA Property List Spreadsheet . ITEM COMPLETED

Directors' Insurance. Ms. Kain and Mr. Curry will prepare an RFQ. Mr. Bedrosian suggested approaching an insurance company in Newburgh.

7. New Business

Required 2010 Public Authority training for IDA Board Members. Ms. Nelson, Messrs. Whyatt and Penney will attend March 26 in Albany. There was a discussion about reimbursements. The consensus was that this is a valid cost to the agency.

Planning March 12 at MSMC, Sponsored by Orange County Federation. Mr. Bedrosian suggested that the Audit Committee should determine reimbursement policies at their next meeting.

Public Transportation Issues and Planning. The IDA will draft a policy statement to forward to Orange County. Messrs Maldonado and Gulliver will participate in the Local Use Committee. Mr. Maldonado will contact the consultants.

Ann St. Parking Lot. Ms. Kain received a letter of interest from J. Rohn(?) on the Ann Street Parking lot. Mr. Curry provided background. This subject will be placed on the Executive Session for the next Agenda.

The Excelsior Program. Ms. Kain gave the parameters of the program. Current Empire Zone businesses will be grandfathered in, but they can opt for the new program. The new guidelines offer very little for small businesses.

Building violation issue: Lake Street Housing violation was cleared on November 17. This is a straight lease property and IDA is the owner. Orange County Section 8 program is that the beneficial owner (in this case Belvedere) must comply. Mr. Gulliver questioned whether this was an appropriate project for the IDA? There followed a general discussion of housing leases.

8. The next IDA Meeting is scheduled for Tuesday, March 15, 2010.

Mr. Penney: Motion to adjourn.

Mr. Gulliver: Motion seconded.

Vote: Unanimously approved.