

DRAFT
CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY (IDA)
MINUTES OF **SPECIAL** BOARD MEETING
September 24, 2015

Present

Board Members: Joshua Smith, Chairman
Michael Curry, John Penney, Nancy Thomas
Absent: Richard Bedrosian, Austin DuBois, Jimmy Mera
Counsel: Thomas Whyatt
Staff: Theresa Waivada, Executive Director

Location: Heritage Center, 123 Grand Avenue, Newburgh, NY 12550

Guests: Roy R. Spells, Joseph Saffioti, Martha White, Robert Szeli,
Juan Thomas, Tom Murphy, Leonard Sparks

1. **Roll Call**: Chairman Smith called the Special Meeting of the Newburgh Industrial Development Agency IDA to order at 7:10 pm. A quorum is present.
2. **Proof of Notice of Meeting**: Accepted.
3. The IDA received a request from the Foundry Condo Association asking to address the board. The purpose of the meeting is to ask the IDA to take steps to intervene in the dispute between the Foundry Condo Association and the Phase 3 developer, Foundry Development Group.

The Chairman asked the Foundry Association guests to come sit at the table and welcomed everyone. The Chairman asked Tom Whyatt to steer this portion of the meeting. Mr. Whyatt addressed Mr. Spells, Mr. Saffioti, and other members of the Foundry Association in attendance. He said that the board is meeting at their request and the NIDA looks forward to hearing from them. Mr. Saffioti stated that his client has asked for this meeting to report to the IDA that at the IDA's request the Association has had multiple discussions with the developer (Foundry Development Group, LLC), and has tried to bring to some conclusion the issues that were raised concerning Phase I and Phase II and the developer's completion of Phase III. He reported that the Association has put its best proposal forward and it seems that the parties are not able to resolve to move this forward and would ask the IDA to take whatever steps they can try to intervene.

Mr. Whyatt stated that if an agreement was not reached, it is possible FDG will lose its financing and be unable to complete the condominium's remaining 59 undeveloped units. He noted that there appeared to be an impasse over the amount of money the Association would be providing toward the cost of improvements required to bring the common areas into compliance with building regulations as well as to meet the requirements being imposed by FDG's proposed lender. He said that he understood from FDG that the parties were approximately \$133,000 apart. Mr. Saffioti said that this information had not been provided to him by FDG, but that the Association did not believe it should pay more than what it had already offered.

In the lengthy discussion that followed, members of the Association stated that the work to be funded with the \$133,000 was not its responsibility, and that it had always been the responsibility of the sponsor, which is now the role of FDG. Mr. Whyatt stated that the NIDA was not in a position to take title itself and become the developer, so any failure of FDG and the Association to come to agreement may lead to an even longer delay in completion of the

condominium. Members of the Association also stated that the area was improving and in the event of FDG's failure, it is possible another developer would be willing to take over the development.

Members of the Association stated their frustration with FDG in the lengthy negotiations, and said that deterioration of the building was resulting, including some open areas and leaking.

In response to the comment that areas of the building were open to the elements, Chairman Smith brought up a proposed Resolution directing the Executive Director to request the City of Newburgh to do an inspection of the condominium building, other than the individual residential units, for code compliance. The Resolution was proposed by Mr. Penney and seconded by Mr. Curry. It was passed unanimously by roll call vote:

Nancy Thomas, Yes
Michael Curry, Yes
John Penney, Yes
Joshua Smith, Yes

A motion for the board to go into Executive Session, to discuss litigation related to the previous exchange was made by Nancy Thomas, seconded by Jack Penney, and unanimously passed.

A motion to leave Executive Session was made by Jack Penney, seconded by Nancy Thomas, and unanimously passed. The Executive Session was closed, and members returned to the meeting. No actions were taken.

A motion to adjourn the meeting was made by Jack Penney, seconded by Mike Curry, and unanimously passed. The meeting ended at 9 p.m.