

**CITY OF NEWBURGH  
INDUSTRIAL DEVELOPMENT AGENCY  
("IDA")  
MINUTES OF MEETING  
JANUARY 27, 2010**

**Present**

Board Members: Josh Smith, Chair  
Richard Bedrosian, Vice Chair  
Michael Curry  
John Penney  
Jerry Maldonado  
Sean O'Shea

Excused Absence: Spencer Gulliver

Administrative Director: Edward Lynch

Counsel: Thomas Whyatt, Esq.

Guests: Ronald Hughes  
Jim McIver, C.T. Male Associates, P.C.

1. **Roll Call.** Mr. Smith called the meeting to order; a quorum was present.
2. **Proof of Notice of Meeting.** Accepted.
3. **Change of Order of Agenda.** The Board agreed to hear a brief presentation from Mr. Hughes. Mr. Ronald Hughes, Town of Newburgh resident and Chairman of the OC Municipal Planning Federation, presented a revenue-generating plan regarding selected harvesting of timber in the watershed areas owned by the City. Mr. Hughes and several neighboring property owners use this technique and it is a regular source of income. A Systematic harvesting approach could occur every 5 years in areas such as Washington Lake (route 207) and Brown's Pond. Selected Harvesting is encouraged by the DEC which also provides tree planting/replacement programs. Ms. Nelson asked if these comply with DEC watershed regulations, and if Mr. Hughes could give permit samples to the City Engineer and Water Department. Mr. Hughes said this could also apply to Quassaick Creek. Adjacent municipalities have done this. Mr. O'Shea asked who does the logging and whether the contractors hire locally? Mr. Hughes said there are 5 or 6 logging companies capable of assessing board feet to be logged and accomplishing the harvest with least environmental impact. He said there are valuable trees on the lands, and selected harvesting is a sustainable environmentally approved way to increase revenues for the City. Mr. Hughes encouraged the IDA and City to contact him for further technical assistance.

4. **Approval of Minutes of December 20, 2010 Meeting**

Mr. Penney: Motion to Approve the December 20, 2010 Minutes.  
Mr. Bedrosian: Motion Seconded  
**Vote: Unanimously approved.**

5. **Reports of Committees**

**Governance Committee: Uniform Tax Exemption Policy modeled after Ulster County and Oneida county IDA.** Mr. Maldonado gave a summary of the draft. The first section identifies general project requirements, such as the number and quality of jobs produced, affect on other

businesses, reducing blight, and the impact on strengthening the city's overall tax base. Eligible uses include industrial, retail, and non-industrial/commercial projects. Mr. Whyatt will address the question of retail projects in 'highly-distressed' areas at the next meeting.

There was a discussion of housing eligibility. The models exclude most housing. Ms. Nelson said there is a significant difference between rental and owner housing. Mr. Lynch: Private Housing Finance Law allows low-income housing incentives. Ms. Nelson: Market rate rental housing can qualify for IDA assistance, as done in New Rochelle and White Plains. The City of Rochester is determining whether commercial market rate owner housing (condominium) is eligible. Mr. Lynch noted that the Orange County IDA is reviewing assistance for Regal Bag and Colden Street properties. He suggested that the Board pursue possible collaboration between the City and County IDA's.

Mr. Maldonado said the IDA needs strong non-performance policies. Ms. Nelson suggested possible PILOT mortgage as security. Mr. Whyatt said that recapture provisions need to be created in terms of enforcement for accrued benefits, such as improving the property in addition to job creation.

The Board discussed ways of calculating exemption tables. Different kinds of uses might require different percentage weightings. Mr. Maldonado stressed the need for systematic information gathering from applicants. Ms. Nelson said case-by-case basis is sometimes necessary. Active Ventilation gives the Board a real opportunity to analyze various models. There was a discussion of standard calculations for school/county taxes. Mr. Penney asked about the effects of long-term (30+year) PILOTS. The Board discussed various situations and types of pilot conditions. Variations from the standard calculations would need to go before the school board.

Mr. Maldonado set a Subcommittee meeting before the February Board meeting.

**Audit Committee:** The Committee received 9 resumes for the position of Bookkeeper. Four interviews are scheduled for February second and third. A public notice will be posted. By unanimous consent the Board authorizes the Executive Director to hire the bookkeeper based on the recommendations of the Audit Committee. The Board unanimously consented to authorize the Executive Director to purchase a laptop, multi-function printer and quickbooks.

**Treasurer's Report and Bills & Communications:** \$6.42 Town of Newburgh tax bill for Murphys Ditch. \$2,322.79 Tax bill for the Cell Tower. The current bank balance is approximately \$160,000.

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

Mr. Maldonado: Motion Seconded.

**VOTE: Unanimously approved.**

## **6. Old Business.**

**Bookkeeper Position.** See Audit Committee Report.

**West Street Parking Lot:** Two "No Parking" signs are in place. The sidewalk has been cleaned, gravel put down. Mr. Penney arranged for plowing and clearing the lot. A bill will be submitted to the IDA.

**The Foundry.** Mr. Whyatt advised Mr. Weiss to set up a meeting with the Board through Ed Lynch, to retain counsel to represent him regarding an extension, because the right to an extension is between the IDA and the lender. He asked Mr. Weiss to advise the board on the

status of his lawsuit with the bank, the mechanics lien on the property, default on the mortgage, homeowners' association listing violations of the settlement. Blaustein, Shapiro law firm represents Mr Weiss in litigation with the bank. Mr. Whyatt advised the Board to review the project's financial status. Mr. Lynch reported that Tax Foreclosure Notices were received. The foreclosure amount is \$50,000 and the Redemption Date is in June. Mr. Lynch will send a letter to Mr. Weiss reminding him to attend the IDA's February 22<sup>nd</sup> meeting, and that the Foundry will be on the Agenda.

**GEMMA FOIL Requests.** Mr. Whyatt is still waiting for a reply from the Orange County Finance Department on his GEMMA FOIL request. He was contacted by Chris McKenna, a reporter for the Times-Herald Record for information on the missing bond payments, and he directed Mr. McKenna to the attorney for the bondholders. Mr. Whyatt distributed hard copies of a letter he sent to M&T Bank in support of the bondholders' request to release the M&T mortgage on the Armory Property. M&T has not responded.

**Active Ventilation Products, Inc. ("AVP") & PILOT Negotiations** Mr. Lynch said the Board needs to establish an Application Form and fee schedules; a process needs to be followed. He said that M&M is also talking about leaving. He distributed a template from New Rochelle. There was a discussion about fee schedules. Mr. Curry said a policy is in effect (check minutes for when it was approved). The Board unanimously consented to have Mr. Whyatt make final edits to the document so that Mr. Lynch can proceed with Active Ventilation. M&M was discussed regarding what benefits the IDA could offer. Ms. Nelson suggested that a subcommittee meet with the county IDA to collaborate during this period so IDA could bring in a PILOT and the County could bring in tax exemptions. St. Luke's Hospital got bond refinancing through the county, for example. Mr. Whyatt said the County IDA meets February 16<sup>th</sup>. He suggests 1 or 2 Board members meet with them. By cooperating on these deals, the IDA might get some fees and also retain some influence on projects within the community. Mr. O'Shea, Mr. Smith and Mr. Curry could possibly attend. Regal Bag and Colden Street are on the agenda, although no applications have been filed as of this date.

**East Parmenter Street LNA Project.** Mr. Lynch reports no official determination yet from HUD, but Chris White from Congressman Hinchey's office has asked them to take more aggressive action in finding an answer.

## **7. New Business**

**IDA Recertification Process.** The Board discussed hiring a qualified consultant to fast-track recertification with the ABO so that the IDA is fully functional. Mr. Smith said that the IDA paid to have this done as far back as 2005; but if there is a candidate who knows the current regulations, the Board should expedite hiring them. Mr. Curry said that recertification is not complicated and the ABO has clearly outlined the requirements. Only a handful of steps remain, but Mr. Lynch said getting through the audits has been a protracted issue.

Mr. Whyatt suggested that he and Mr. Lynch get proposals based on an hourly consulting fee and availability of up to six months for the purpose of finishing compliance work, assisting on applications and helping with creative thinking to optimize the IDA's role, including possible partnerships with the County.

Mr. Penney: Motion to authorize Mr. Whyatt and Mr. Lynch to submit proposals for a qualified consultant for a 6-month commitment and to authorize a subcommittee to review the proposals and make a recommendation which can be ratified by the Board.

Mr. Curry: Motion seconded.

**VOTE: Unanimously approved.**

Mr. Smith and Mr. Penney volunteered to review the proposals; Mr. Smith asked that they be expedited.

8. **Next IDA Meeting.** The next meeting will take place on Tuesday, February 22 due to President's Day on the 21<sup>st</sup>.

9. **Mr. Smith adjourned the meeting at 10:00pm.**