

CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY (IDA)
MINUTES OF MEETING
March 16, 2015

Present

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

1. **Roll Call:** Chairman Smith called the meeting to order at 7:02 pm. A quorum is present.
2. **Proof of Notice of Meeting:** Accepted.
3. **Approval of the January 26, 2015 Minutes**

Mr. Curry: Motion to approve the January 26, 2015 minutes as presented
Mr. Mera: Motion seconded.
Discussion: No discussion.
VOTE: **Unanimously passed.**

4. **Request for Communications**

The Executive Director advised the board of Verizon's interest in leasing property in the city for internet accessibility. I suggested 105 West Street, as well as Keefe and Cassidy lot but believe they may not be accessible. If IDA properties are suitable, I will refer Verizon to the City.

Spoke with BCP Project Manager, Kiera Thompson, and NYS DEC regarding status of BCP on the Hudson Valley Lighting project site. They suggested a meeting with the Agency, and Agency Council with their team in Albany.

At a meeting with Congressman Maloney, the City and Agency were advised that his office would assist in extending the U.S. EDA grant until another developer is found.

The Governor continues to move forward with passing legislation on removing IDAs' authority to allow state tax abatements. The Agency has written to state officials urging that the measure not be adopted in the State 2015-16 Budget.

Ted Doering is looking for space to construct a motorcyclopedia course. Needs approximately four-to-five acres. He was advised the Scobie Drive Property will not be divided.

Mount Saint Mary College's approved STARTUP-New York program may be expanded to include acreage at Stewart Airport.

5. **Request for Bills; Treasurer's Report**

Treasurer Mike Curry presented the Treasurer's Report for the period ending March 16, 2015. Opening balance of the TD Bank Operating Account is \$132,173.15; disbursements totaling \$19,898.83 for check numbers 518-527; deposits in the amount of \$8,961.47; for a closing balance of \$121,235.79. Balances on the other accounts are standing balances and are part of the report.

Also, before the next board meeting, any monies in Key Bank accounts will be transferred over to TD Bank.

Mr. DuBois: Motion to accept Treasurer's Report and approve payment of checks as presented
Mr. Penney: Motion seconded.
Discussion: No discussion.
VOTE: Unanimously passed.

6. Committee Reports

The Audit Committee met prior to the IDA Board meeting to review the 2014 draft audit, which was received electronically prior to the meeting. After discussion, the committee unanimously recommends that the IDA Board adopt the 2014 Draft Audit with noted punctuation and language changes (Minutes of the Audit Committee meeting are attached).

Resolution No. 2015-3-16-1, calls for adoption of the 2014 Annual Report and Audit Report in compliance with transparency requirements of the NYS Authorities Budget Office. Reports to be posted on web site as soon as feasible.

Mr. DuBois: Motion to approve Resolution No. 2015-3-16-1
Mr. Mera: Motion seconded.
Discussion: No discussion.
VOTE: Unanimously passed.

The Governance Committee did not meet this month.

7. Report from Counsel

162 Broadway Parcel: The IDA was contacted by Bob Green from Goshen, on behalf of his clients Jing Han Liang and Wei Rong Lou. His clients are purchasing this parcel from the city and are asking the IDA for a release of covenants affecting this parcel. Resolution 2015-3-16-2 authorizes the release of the covenants and waives reverter rights on parcel 162 Broadway.

Mr. DuBois: Motion to approve Resolution #2015-3-16-2
Mr. Penney: Motion seconded
Discussion: None
VOTE: Motion carries, resolution approved

Habitat for Humanity is requesting a Proxy Statement from the IDA so they can apply for an Informational Report on 150 Ann Street and subsequently the building permit. No work will be done on the property until title has changed to them, and any preliminary work will not disturb land.

The transferring of the property to Habitat for Humanity will have conditions: within three years a single-family residence must be built, have Certificate of Occupancy; and reverter clause. Reverter clause will allow the IDA to take back the property if the conditions aren't met. Habitat is in agreement with these conditions, and their attorney will prepare paperwork for transferring the property.

Foundry Development Group

Since the members last met in January with FDG and the Homeowner Association officers, no progress appears to have been made between the parties in working out a financial settlement for future activities. Without such a settlement, FDG will not be able to obtain the financing it is seeking from Community Preservation Corp. (CPC). Despite this impasse, CPC has apparently not backed out of the loan yet, but the nature of CPC's interest is unknown at this point. While FDG clearly wishes to finance the work needed to complete the condo units, FDG's compliance

with milestone dates set out in the court-ordered stipulation is not contingent on financing. If FDG does not obtain Certificates of Occupancy for the first twelve units by June of this year, it will be in violation of the court-ordered compliance dates. At this point it is clear that the June deadline will not be met by FDG.

8. **Old Business**

There is no old business to discuss.

9. **New Business**

Jimmy Mera discussed with the board a proposal in the area of Johnson/Lander Streets, to build a shopping center. The developer talked with the city council about an extension. The City took lead agency status with this project and no movement has been made.

10. **Executive Session**

Mr. Curry: Motion for the Board to go into Executive Session
Mr. Penney: Motion seconded.
Discussion: None.
VOTE: Unanimously passed.

Mr. Penny: Motion for the Board to come out of Executive Session
Mr. DuBois: Motion seconded.
Discussion: None.
VOTE: Unanimously passed.

11. **Adjourn**

There being no further business to come before the board, on a motion made by Mr. Penney and seconded by Mr. Curry, the board unanimously agreed to adjourn the meeting at 8:45 p.m.

Next Meeting: April 20, 2015.

**The City of Newburgh
Industrial Development Agency**

RESOLUTION NO. 2015-3-16-1

BE IT RESOLVED THAT the Board of Directors of the City of Newburgh Industrial Development Agency, in compliance with transparency requirements of the New York State Authorities Budget Office, does hereby:

1. Adopt the Performance, Measurement, and Operations Reports for 2014
2. Approve and adopt the 2014 Annual Audit
3. Authorize the Executive Director to certify the submission of the 2014 Annual PARIS Report to the Authorities Budget Office and Office of the State Comptroller.

The foregoing resolution was duly put to vote, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Joshua Smith	X			
Austin DuBois	X			
Richard Bedrosian	X			
Michael Curry	X			
Jimmy Mera	X			
John Penney	X			
Nancy Thomas			X	

The resolution was thereupon duly adopted.



John Penney, Recording Secretary

March 16, 2015

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY**

RESOLUTION NO. 2015-03-16-2

**AUTHORIZING RELEASE OF COVENANTS
AFFECTING 162 BROADWAY**

WHEREAS:

The City of Newburgh Industrial Development Agency (IDA), by deed dated October 1, 2004 from the City of Newburgh Industrial Development Agency to 117 Liberty Street, LLC d/b/a/ Polonia Development and Preservation Services Co., a limited liability company organized and existing under the laws of the State of New York, and recorded in the Orange County Clerk's Office on October 8, 2004 at Liber 11638 of Deeds at Page 231, conveyed a parcel of land in the City of Newburgh known as Section 30, Block 2, Lot 29, also known as 162 Broadway, to 117 Liberty Street, LLC d/b/a Polonia Development and Preservation Services Co. (APolonia@);

The deed contained covenants requiring purchaser to complete improvements to the property and obtain a Certificate of Occupancy for same during 2004 (the "2004 Covenants");

The IDA entered into an agreement dated May 24, 2005 (the "2005 Covenants") between the NIDA and 132 Broadway Associates, LLC, a limited liability company organized and existing under the laws of the State of New York, recorded in the Orange County Clerk's Office on May 27, 2005 at Liber 11855 of Deeds at Page 1866, which extended those dates into 2005 and otherwise amended terms of the deed;

162 Broadway is currently in title to the City of Newburgh, having been taken in tax foreclosure proceedings by deed dated June 21, 2012 and recorded in the Orange County Clerk's Office on June 22, 2012 at Liber 13361 Page 1810.

The City of Newburgh has approved the sale of 162 Broadway to Jing Han Liang and Wei Rong Lou, who will take title in a New York Limited Liability Company;

The sale is subject to certain development conditions (the "City Conditions") that supersede the conditions contained in the earlier IDA deed and agreement;

The City Conditions require, inter alia, that the purchaser rehabilitate and bring into compliance the existing structure on the property within 18 months of the date of the deed, with a provision that the City Manager may extend the date by an additional three months; further extensions may be granted by the City Council;

The City conditions further provide that upon failure of the purchaser to bring the 162 Broadway and improvements into compliance within the requisite period of time, title to 162 Broadway will revert to the City of Newburgh;

The City conditions are inconsistent with the 2004 Covenant and 2005 Covenant because they add further development requirements and provide for a reverter to the City of Newburgh in the event of purchaser's failure to comply with the conditions.

The City conditions are in furtherance of the Agency's purposes in setting the Agency's original conditions, inasmuch as they require further improvements that will increase the value of 162 Broadway as a commercial property.

Jing Han Liang and Wei Rong Lou have now asked the IDA to waive and release the Covenants so as to permit conveyance of 162 Broadway to their LLC free of the inconsistent covenants contained in the NIDA deed and agreement;

The Agency has reviewed the facts and circumstances thereof and has received advice of counsel that the conditions set by the City of Newburgh as described above supersede and are inconsistent with earlier covenants set by the IDA, and that they further the Agency's goal of increasing commercial development in the City of Newburgh.

NOW THEREFORE BE IT RESOLVED:

1. The Agency hereby releases the 2004 and 2005 covenants, subject to two conditions:
 - (a) The release will become effective if and only if the property is conveyed by the City of Newburgh subject to the City conditions set forth above; and
 - (b) The fees of the IDA counsel for time spent on this matter are paid in full by the purchaser.
2. Release of covenants predicated solely on the applicant's compliance with the local municipal building code is routine agency administration of a ministerial nature, which is a Type II Action under SEQRA and is not subject to further SEQRA review. In this case, the effect of the release is to transfer enforcement of code compliance to the City of Newburgh and to give the City of Newburgh the authority to take title back from purchaser in the event of failure to timely comply with the code.
3. Release of the Covenants will advance the purposes of the Agency by permitting the transfer of the lots for further development along Broadway, consistent with the City of Newburgh's zoning and


development goals and with the IDA's efforts to foster industrial development and employment in the City.

4. The IDA hereby authorizes and directs its Chairman in consultation with counsel, to execute releases of the 2004 Covenant and 2005 Covenant substantially in the form attached, in recordable form, and such other documents as are required to accomplish the purposes set forth herein; counsel is authorized to deliver the releases if and when the conditions set forth in Paragraph 1 above are met.

The foregoing resolution Number **2015-3-16-2** was duly put to vote, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Joshua Smith	X			
Austin DuBois	X			
Richard Bedrosian	X			
Michael Curry	X			
Jimmy Mera	X			
John Penney	X			
Nancy Thomas			X	

The resolution was thereupon duly adopted.



John Penney, Recording Secretary
March 16, 2015