

**CITY OF NEWBURGH  
INDUSTRIAL DEVELOPMENT AGENCY (“IDA”)  
MINUTES OF MEETING  
MARCH 21, 2011**

**Present**

Board Members: Joshua Smith, Chair  
Richard Bedrosian  
Sean O’Shea  
John Penney  
Excused Absence: Michael Curry, Spencer Gulliver, Jerry Maldonado  
Administrative Director: Edward Lynch  
Counsel: Thomas Whyatt, Esq.

Guests: Craig Skelly, Junior Accountant  
Theresa G. Waivada, Certification Consultant  
Mr. Weiss, Foundry Developer Group  
Roy Feld, Lisa Scotto (Foundry Condominium Association)  
Gerry Sanchez, Polonia Developers

1. **Roll Call.** Mr. Smith called the meeting to order at 7:00pm; a quorum was present.

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

3. **Approval of Minutes of February 22, 2011 Special Meeting and Monthly Meeting**

Mr. O’Shea: Motion to Approve the February 22, 2011 Special and Monthly Minutes.  
Mr. Bedrosian: Motion Seconded.  
**Vote: Unanimously approved.**

4. **Bills and Communications.** (See Treasurer’s Report)

5. **Reports of Committees**

**Governance Committee:** Mr. Lynch confirmed that the Board’s Self-evaluations were submitted by him to the ABO several months ago. A certified copy of the Board’s swearing in has been sent to the Department of State.

**Audit Committee:** A special sub-committee (Messrs. Mr. O’Shea and Bedrosian), met to review information about the EDA Grant award disbursement. Approximately \$150,000 of IDA funds had been paid out for the West Street project which should be reimbursed. The committee suggested reviewing all grants or other funding where reimbursements might be due to the IDA. Ms. Nelson has circulated a first draft of a distribution report on the EDA grant reimbursement. Mr. Whyatt suggested that the IDA and City meet before Ms. Nelson’s departure. The meeting should include Messrs. O’Shea, Curry, Penney, Whyatt, Skelly and Lynch for the IDA; Ms. Nelson, the City Comptroller and Mr. Herbek for the City.

**Report from the Chair:** Messrs. Smith and Curry, through former County legislator Jim Kulisek, were invited to meet with the Orange County Partnership (Maureen O’Halloran and Meghan Taylor). OCP is interested in helping the IDA with Economic Development activities, including marketing properties. They offered to make a presentation to the Board.

**Report from the Administrative Director:** The Uniform Tax Exempt Policy is now posted to the web. The Bank of America account is closed. A letter was sent to Mr. Weiss. The contract for Secretarial services has been renewed. The final details of the Leland workout will be concluded later this week. Belvedere Housing rubbish has been removed, and a rodent report has been forwarded to the Management Company. Mr. Lynch has asked Code Compliance to include Management Company on violation reports but has not had any positive response. Debris on the banks of Machatoes Lake (part of the Hudson River estuary) needs to be cleaned up. There was a discussion of how to file complaints, and who is responsible for enforcement. Mr. Whyatt advised that the County's Housing Authority should be copied on complaint reports.

**6. Treasurer's Report and Bills & Communications:** Mr. Skelly distributed the monthly report, noting an ending balance of \$320,302.32. As voted at the February meeting, the LNA Account should be closed.

Invoices to be paid:           \$ 728.75 Mr. Skelly, accounting services  
                                          2,900.00 Sedore & Co (2009 Audit).  
                                          1,875.00 Sedore & Co (2009 Audit)  
                                          165.00 C.K. Boyle  
                                          7,675.50 Oxman, Tulis

Mr. Penney:           Motion to pay the invoices as presented.

Mr. O'Shea:           Motion seconded

**VOTE:                Unanimously approved.**

Mr. Smith asked for the timeframe from Sedore & Co. on completing its audit, since 2010 must begin as quickly as possible. Mr. O'Shea offered to be available to meet with Mr. Mulvey of Sedore.

**7. Old Business.**

The Foundry. Mr. Weiss gave highlights of his response to the Administrative Director's letter of February 24, 2011. Section 1 (Financial Capability): Income versus expenses is based on real numbers and show the feasibility of project. Rental figures are used for income because unit sales aren't feasible now and lenders aren't looking at sales, but rentals. Common charges have been paid.

Section 2: There is one mechanic's lien, currently in the courts. A settlement is being negotiated which is less than the original amount of the lien. The Board asked if a lending institution is prepared to support constructing Phase III rental units, if there is a year-over-year estimate of costs, and what is a reasonable timetable for construction, finishing and renting at the projections. Mr. Weiss said that done in phases, it could take 4 years. Mr. Weiss said he is seeking an extension to be able to be comfortable investing more money in this project, to be able to work day by day with the Condominium Association. Common charges have been paid through March. Could the IDA give a commitment letter? With an extension, Mr. Weiss could place funds in escrow now. There was a discussion of a limited extension period and the next quarterly report. In June, the City will begin foreclosure proceedings if the real estate taxes aren't paid. Mr. Whyatt advised that to protect its interests, the IDA needs to talk with any potential lender before terms are finalized, and before a lender commitment letter. Mr. Weiss said he would not advise partners to put in money with such contingencies. The consensus of the Board is that it will negotiate a suitable extension if Mr. Weiss can bring in a lender. Mr. O'Shea: city taxes need to be paid in order to negotiate an extension. Mr. Feld confirmed that the Common Charges check was deposited and is not in escrow.

Mr. Sanchez' request to speak to the Board was declined. He can be on a future Agenda if he submits a written request. There was a discussion regarding sharing documents among the Association, the Developer and Mr. Sanchez. Mr. Whyatt requested that as a courtesy the parties exchange documents in a timely fashion rather than FOIL the IDA records and the parties agreed.

**Active Ventilation Products, Inc. ("AVP") & PILOT Negotiations** Ms. Waivada met with Active Ventilation on March 15. They are considering a 504 SBA acquisition loan. She suggested that after projections are completed, Mr. Kolt should meet with Mr. Lynch and Mr. Whyatt. The ABO gave permission to move forward with PILOT program. Mr. Lynch and Mr. Whyatt should meet before April 18 to move this ahead quickly. The IDA will help Mr. Kolt do a cash flow analysis to determine whether or not a PILOT Application is the best approach. Ms. Waivada explained that this is a 'just in time' manufacturer.

**Scobie Drive.** There was discussion as to whether CT Male had been officially asked to proceed with the RFP. The consensus was they ask Ian MacDougall for an update.

**FOIL Requests:** Gemma. Mr. Wyatt: The IDA has copies of the County's answer to the Times-Herald Record request, although the IDA made its FOIL request in November, 2010. There was a discussion of the news reporting and the Newburgh Advocate video of the County Ways and Means meeting. It was noted that Deputy County Executive O'Donnell was also head of the siting committee for Orange County Community College and advocated for Mr. Carchietta's site. Mr. Wyatt asked if there is a resolution in the files authorizing the former IDA Administrative Director to sign the Mortgage. The Board discussed the Trustee's role in allowing the County to by-pass payments to the Trustee. Mr. Smith said the IDA should do everything it is supposed to do to comply with the ABO. Mr. Whyatt will follow up with the County. Ms. Waivada and Mr. Whyatt will discuss a possible report to the ABO.

The Foundry: a FOIL from Mr. Sanchez' attorneys has been partially concluded and is not active for now.

## **8. New Business**

**IRS Audit of St. Luke's Hospital Parking Garage:** The site audit is scheduled for May 22nd. Auditors might want to meet with IDA representatives.

**Projects Update** The spreadsheet of IDA PILOT projects, housing projects, and documents of City and IDA needs to be updated and questions about Burton Towers, Unitex, Belvedere, Corwin Court all need to be answered. Ms. Waivada explained the IDA's role in housing and construction projects.

**Internal Control Policy draft:** Mr. Skelly presented a draft. The policy should state whether credit cards are allowed. It should define check-signing procedures. The current policy is 2 signatures: either the Chair and treasurer or assistant treasurer or vice chairman and treasurer or assistant treasurer. The draft should be ready for adopting at the April meeting.

## **9. Next IDA Meeting.** The next meeting will take place on Monday, April 18, 7:00pm.

Mr. Penney: Motion to adjourn.

Mr. O'shea: Motion seconded.

**VOTE: Unanimously approved.**

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

Respectfully submitted,

C. K. Boyle  
Recording Secretary