

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY ("IDA")
MINUTES OF MEETING
April 30, 2012**

Present

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

Excused Absent: Jerry Maldonado

Counsel: Thomas Whyatt, Esq.
In Attendance: Craig Skelly, Chief Financial Officer
Ian MacDougall, City Planner
Theresa Waivada, CEO

Roll Call Mr. Smith called the meeting to order at 7:20pm. A quorum was present.

1. **Proof of Notice of Meeting.** Accepted.

2. **Approval of Minutes of March 19 Monthly Meeting**

Mr. Penney: Motion to Approve the March 19 Minutes.

Mr. Bedrosian: Motion Seconded

Vote: Unanimously approved.

3. **Discussion with Newburgh Community Action Committee ("NCAC")**. The Board voted to change the order of the Agenda for a presentation by Jade Green (NCAC- Newburgh Community Action Committee's Executive Director) and George Tukul (NCAC's consulting engineer) to discuss the a Phase II Brownfield Opportunity Area application for property on Pierce's Road. The grant is a multi-year grant awarded by the NYS Dept. of State.

Mr. Tukul explained the history of NCAC's 2-3 year project. The goal was to complete a Nomination Study and do an analysis of several large sites in the Northern Sector of the city that will, following a clean-up, result in redevelopment and creations of create living wage jobs. The sites include the Dupont Stauffer Superfund Site, the City Yard and an IDA owned. 15+ acre industrial site purchased by the IDA from the NYS Dept of Transportation in the 1984. The Agency and City provided input into a recently completed Nomination

NCAC has invited the City and IDA to join in a cooperative application for Phase III funding among the three stakeholders. NCAC's needs are very particular: 1) to strengthen agreement with Stouffer, possibly conveying the property to NCAC; and 2) to prepare a business model to entice green manufacturers to the site. Manufacturing fitting to NCAC's anti-poverty mission. IDA would focus on a site assessment and the City would focus on updating its zoning for the entire area under study.

NCAC has drafted a Memorandum of Agreement ("MOA") which has been reviewed by all 3 stakeholders to enable a strategic partnership with the NCAC serving as the applicant and grant administrator. It is assumed that 3 participants will request \$100,000. each for their proposed activities.

There followed a question and answer period on the MOA:

Mr. Smith: In what period of time would \$300,000 be spent?

Mr. Tukul: Approximately one year from the approval of the contract.

Mr. Curry: Is this a draw down of the funds?

Mr. Tukul: The State provided an advance to start the Phase I. We will hopefully negotiate an advance for the next phase.

Mr. Curry and Mr. Penney: Will be administrative costs and NCAC have any specific projects in mind?

Mr. Tukul: The Nomination Study identified market sectors and niches which have best chance of succeeding. (e.g., LED lighting, food processing). These were translated into potential site plans, and financial analysis in the Nomination Study. There are administrative costs to manage the grant.

Mr. O'Shea: How would each \$100,000 be allocated? To each entity's property? Just to Stauffer? Stauffer property is larger than the other 2. What if there's a shortfall? Would we need to contribute?

Mr. Tukul: Generally, the \$100,000 for the IDA would go to land for the IDA – site assessment. For the city, it would be worthwhile to do a wetland inventory and zoning update. NCAC doesn't have an ownership interest in the D-S property. The site investigation and cleanup will be paid for the original polluter.

Mr. Smith: Does NCAC have resources to acquire a cleaned up property?

Mr. Tukul: NCAC can position itself to compete to acquire it. There's a complex relationship with Stauffer. Step III funding will solidify a 3-way collaboration so that when the clean-up is certified by DEC, we can apply pressure to Stauffer to convey it to an organization that has Newburgh's interests in mind.

Mr. Penney: Would all three partners have a voice in the future proposals for the site?

Mr. Tukul: The alternative that holds the greatest promise is the green development. We'd come to you for your advice and suggestions. I don't think we could tell the IDA what to do with it's site. But a dialogue should occur for successful development.

Mr. Curry: Can NCAC Board agree to language which might create a 4th entity?

Mr. Tukul: That could be the kind of legal organizational entity (maybe a subsidiary of NCAC) to develop the lands? NCAC doesn't have the organizational capacity to develop a project like this. We need partners.

Mr. Bedrosian: Would the clean-up be completed in a 4 year period?

Mr. Tukul: It's been delayed over and over again. The latest information from DEC is that the remedial design is supposed to be done by October 2012. Cleanup could occur in 2013 – 6-8 months. Dupont-Stauffer (D-S) could be ready for development in 2014 in the best case scenario.

Mr. Smith: Has D-S asked for an extension of time on the clean-up?

Mr. Tukul: D-S can slow up the process, indirectly and directly. They're under a consent order.

Mr. Bedrosian: Wouldn't this preclude the IDA from disposing of its own property during the 4-year period, according to the MOA?

Mr. Tukul: NO. That's not the intent of the MOA – explicit language could be included.

Mr. Bedrosian: Need language to ensure that this marketable property isn't sold off to someone else if you decide to do something else with the rehabbed property.

Mr. Tukul: We can't be sure. We have an agreement with D-S, but it's not a guarantee. That's why we need the help of the city and the IDA.

Mr. O'Shea: Will Mr. Tukul continue as project manager when nomination study is done? Jobs: what aspect of this project do you see jobs being created? Environmental jobs take technical expertise.

Mr. Tukul: My role is to provide project management for the completion of the Nomination Study? Jobs would be more in the green manufacturing.

3. Bills, Communications and Treasurer's Report Mr. Curry presented the Treasurer's report (ending balance of \$775,467.26 and requested a motion to accept payment of ten invoices as presented. ABO sent notices that the IDA is 30 days late in our 2011 filings. The Economic

Development Council sent legislative information regarding proposed new legislation that appears to restate many ABO regulations. The Executive Director will send the bill's sponsor suggestions on removing redundant sections of the bill.

Mr. Penney: Motion to approve payment of ten invoices as presented.

Mr. O'Shea: Motion Seconded.

VOTE: Unanimously approved.

Mr. Curry suggested that the IDA invite legislator Frank Skartados to a June meeting. Mr. Skartados said on YNN-TV that Newburgh is his #1 priority for economic development. Ms. Waivada will contact his legislative office.

4. **Report from the Chair** Mr. Smith asked Mr. Bedrosian to speak about the meeting conducted by PACE Saturday, April 28. PACE, on behalf of the Land bank, has been educating the boards on how Newburgh can be more Open for Business by removing impediments that currently exist. John Nolan of PACE said the Regional Boards 'mantra' is Cities Must Be Open For Business, but the City of Newburgh is not because developers run into so many obstacles here. Zoning, Planning, ARC, Waterfront and departments need to cooperate to better serve the needs of people coming here to do business. We need a 'gatekeeper' in City Hall who can facilitate and be an ombudsman for developers. Streamlining will also facilitate the application process for people who are already here. PACE will next present its specific recommendations to the City Council.

Mr. Smith: The April 22 meeting with the City Council was covered in the Mid-Hudson Times and is on CD. He felt that the Agency conveyed the amount of work done to date to bring the agency in to compliance. There will be a board meeting to adopt the 2011 Audit and the Annual Report to regain certification in mid-May.

On March 26 the Greater Newburgh Partnership invited the IDA to lunch. There was a spirited exchange among the group. Hopefully we've opened up an avenue of cooperation with a significant group here in the City.

5. **Report from Executive Director**

- Will be attending a NYS Council of Economic Developers meeting at end of May, at no cost to the IDA
- Working with new owner of diner on Robinson Avenue. Reviewing financials, to see what benefits the IDA can provide. We might have an application from him in May or June.
- PILOTS can be issued by the IDA. The city offers 485-B and historic PILOTS. The Agency and City should determine which type of PILOT should be applied when a project is approved by the IDA.
- Smaller businesses are coming into Newburgh. Acquisition costs of building are affordable and many are eligible for historic tax credits. What IDA can offer might not be cost effective in terms of our fees. We should develop a small business program that could be instituted quickly.
- Upon re-certification, we'll do a mailing to businesses in the city advising IDA and other programs available to businesses.

Mr. O'Shea: Is the diner owner securing the roof? It's been open for months. Nothing has been done. Ms. Waivada will look discuss the status of the building with the owners.

Mr. Curry re small business program. Has there been any CDBG motion on that? Those businesses are not the size that IDA would be helping. The Executive Director advised that the City Council tabled the Agency's CDBG proposal pending our recertification.

6. Report of Counsel: Mr. Whyatt reported the following:

- Corwin Management litigation. Return date on the Motion for Summary Judgment was April 9th. Waiting default decision from court, after which he'll submit a judgment to the court for \$275,000 plus fees. and then we'll need to enforce it. IDA owns the land. The lease extends until Corwin Management is paid in full.
- Foundry litigation. IDA moved for Leave to Intervene. Court held a hearing last week, but no decision yet.
- Atlas Textiles: The company failed and the defesed the bond. The attorney for the owner asked us to agree that the terms of the lease are no longer in effect, so we signed a cancellation of lease.

7. Reports of Committees

Audit Committee: The Audit Committee reviewed the 2011 Draft Audit. Mr. O'Shea apologized to the Audit Committee for being delayed and unable to attend. The Committee has further questions to address to BST and it will be necessary to schedule a special meeting to approve the 2011 Audit. The Board settled on May 16th (Wednesday), 6pm.

Mr. Penney: Motion to approve the 2011 Performance Report and the 2012 Mission Statement.

Mr. Curry: Motion seconded.

Prior to the vote, the Executive Director noted that Mr. Maldonado's positive comments on the Report and Mission Statement were sent to the board members..

VOTE: Unanimously Approved.

8. Old Business.

NCAC post discussion: Following lengthy discussion on the source and use of the \$15,000 requested by NCAC for grant administration purposes. It was noted that the the Memorandum of Understanding must be consistent with the IDA's operating policies, transparent and hold NCAC to specific performance standards. Any agreement separate from the MOU should require a contract and scope of work.

Mr. McIver was asked to approach the table to discuss the proposed BOA application. He advised. DOS contracts are very specific about reimbursable expenses. Appraisals, legal counsel are reimbursable at 90%. The 15% would fall under a separate contract. It was agreed that the 15% administration fee should be in contract form along with specific Scope of Services..

Discussion of NCAC's ability to manage the grant if they don't have the capacity to manage the project, as indicated by Mr. Tukul. How would administrative expenses have a guarantee that NCAC can deliver? Mr. McIver will send an e-mail with a boilerplate of NYS requirements. City of Newburgh wants to enter into the agreement as soon as possible since the deadline is September. The documents must be coordinated with the City to have one document. The Executive Director needs flexibility to sign after Counsel and Chair have reviewed. Mr. Whyatt noted that it's not the purview of the IDA to 'fully support' to 'recognize' the NCAC's historic interest in the property. Ms. Waivada: any questions counsel has must be presented to both the city and NCAC so as not to hold up discussions.

Mr. Penney: Motion to authorize the Executive Director, with advice of Counsel, to enter into an agreement substantially in the form of the MOA draft, when the City of Newburgh is ready to enter into it, and for Mr. Whyatt to communicate concerns re paragraph 8 to the City and NCAC.

Mr. Curry: Motion Seconded.
Discussion: there will be potential 15% language changes.
VOTE: UNANIMOUSLY PASSED.

Cell Tower. Ms. Waivada recommends that the IDA begin conversations with Crown Castle re second agreement re city taking action because it would involve a PILOT.

Resolution 2012-3-19-2. Mr. Smith recited Resolution 2012-3-19-2 re acceptance of paperless banking transactions for payments and disbursements. The Resolution was inadvertently omitted at the March 19 meeting.

Mr. Penney: Motion to adopt.
Mr. Bedrosian: Motion seconded.
VOTE: Unanimously adopted.

EPA Barrell Cache Schedule: A pre-construction meeting is schedule for May 8 with DEC, EPA, Dupont-Stauffer, and O'Brien engineers. Work is to begin this summer. There was a consensus of the Board to have Mr. McIver of CT Male. Counsel and Executive Director to attend the meeting and to coordinate other work that impinges on IDA property as needed (for instance, tree clearing).

NEXT MEETING: A Special Meeting of the IDA is scheduled for May 16th, 6pm to approve the 2011 Audit.

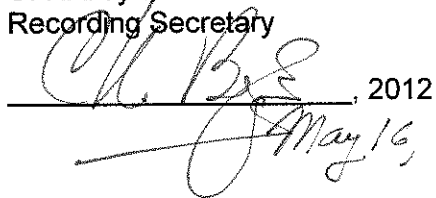
Mr. Penney: Motion to adjourn to Executive Session to discuss proposed disposition of real property and to discuss the Foundry litigation.
Mr. O'Shea: Motion seconded.
VOTE: Unanimously approved.

The public portion of the meeting was adjourned at 9:20 pm.

The Board moved to Executive Session.

Respectfully submitted,

C. K. Boyle
Recording Secretary

 2012
May 16,

2011 Performance Measurements

City of Newburgh Industrial Development Agency Performance Measurements January 1 to December 31, 2011

List of Performance Goals and Performance Accomplishments.

1. Recertify Agency:

- Completed and approved audits for Years 2009 and 2010
- Completed annual reports for 2007 to 2009.
- Began inputting data into PARIS for open years
- Contracted with a firm to undertake the 2011 audit.

2. Create and retain jobs in existing firms/Attract new businesses/increase private investment;
(quantify)

1. Business visitations --4

In 2011 the Acting Director of Planning and Development, Director of the Community Development Block Grant Program and the Agency established a joint intake process for businesses interested in expanding or relocating into the City. This facilitates the ability for each entity to discuss their incentives and determine how best to further a potential project.

- **Active Ventilation.** Advised company of benefits should they decide to purchase their leased space. No decision was made by the firm. It employs about 15 local residents.
- **Foam insulation firm** advised that they were exploring business expansion by purchase or lease of a small building in the City or in an adjacent town. They were advised of financial incentives and workforce programs. They are exploring workforce assistance for roughly 10 new jobs and may not require incentives.
- **Newburgh Brewery.** This start up business purchased a building and is establishing a wholesale brewery. The business represents a 4 million dollar investment in the purchase and equipping of the facility. In later years, a tap room will be added. As a result of this inquiry to the Agency, the company meet with "the Team" and was offered a historic rehabilitation PILOT by the City and applied for and was approved for a \$10,000 loan from the CDBG program. The loan will used to purchase equipment as the firm believes that current orders have exceeded their lending. . The Agency advised that the creation of the tap room and creation of additional jobs may be facilitated by the Agency's straight lease program once it is certified.
- **An inquiry to the Agency by a high design and furniture fabricator** resulted in a Team meeting. The firm is interested in purchasing a 50,000 sq. ft., historic building in the Newburgh for \$350,000. The company was advised of available benefits, including a City PILOT for renovation of historic buildings and was

advised to seek SBA funding. The Orange County Partnership participated and advised the firm of NYSERDA energy conservation programs. The company was counseled on how to access the various programs. Eligibility for Agency incentives were discussed and will be further explored as the project progresses.

2. Visitations In cooperation with Empire State Development – 3.
 - **No businesses, eligible for state programs, contacted the Agency.**
3. Job creation will be attained when Agency is recertified and new projects are generated.
4. Develop an inventory of available commercial and industrial properties for sale or lease through meeting with property owners or brokers. 1
 - **A consortium of the City, Agency and an US EDA funded workforce/job creation program are working jointly on creating a list of available properties. The Agency will focus on brokers; the City will focus on property assessment information of vacant and underutilized buildings.**
5. *Inventory Agency owned property and determine redevelopment potential. 1*
 - **Following extensive review of assessment rolls and county real property records, the Agency identified properties owned by the agency, fee ownership of active projects, as well as two fee ownerships based on IDA PILOTs. The Agency is legally pursuing Corwin Management for lapsed PILOT payments. It should be noted that the two PILOT projects were generated by a lease/PILOT agreement which did not contain any requirements for reporting job creation. It appears that the two PILOTs were never reported in past Comptroller report. The majority of the properties owned by the Agency small, residential sites. The agency will determine if ownership of such properties are appropriate.**
6. Promote relocations to available properties in conjunction with marketing efforts of the Orange County Partnership marketing programs. 2 meetings
 - **A meeting and several phone conversations initiated a discussion on marketing with the Orange County Partnership. A marketing effort will be formalized when a comprehensive list of available properties is completed and the Agency is recertified. The Partnership does advise the Agency and City of inquiries from firms that are seeking locations in the county.**
7. Determine viability for development of Agency owned industrial site that may require Brownfield clean-up. 1
 - **The Agency's industrial property at Scobie Drive is located near a superfund site of land owned by DuPont-Stauffer. EPA has advised the Agency that its property may contain buried drums and as a result a portion of the Agency's property will be under investigation in 2012.**
 - **This site is part of larger area of study under a Brownfield Opportunity Area grant received by the Newburgh Community Action Program. It focuses on a 150 acre area that contains city and agency owned land as well as the DuPont Stauffer Superfund Site. In 2011, the Agency became an active participant in**

the project. The Agency's consultant engineer and City Planner attend meetings and reviewed a 'Nomination Study' that examines numerous aspects of the properties and their potential for redevelopment. In late 2011 the grant sponsor, the city and the Agency began discussions on forming a partnership and participation in the next phase of the grant which will be directed to zoning needs, re-uses for the superfund site and a hazard assessment of the Agency's property.

3. Website Maintenance – Post meeting notices, minutes, audits, ABO reports, policies, by laws and mission. – **On going to comply with ABO guidance and state regulations.**
4. Agency and Counsel Review of bylaws for needed revisions or clarifications to strengthen adherence to Public Authorities Accountability Act of 2005 and 2009 – on going.
 - **The Agency adopted new by-laws in 2011.**
 - **The Agency adopted the existing UTEP.**
5. Support Small business assistance in concert with the Orange County Chamber of Commerce and the Small Business Development Center, Orange County Community College. (1-2 meetings with an outcome)
 - **The Agency and City are jointly compiling a list of programs for small businesses for posting on the web and print distribution**
6. Transparency and Compliance: comply with all state regulations. --ongoing.
 - **The Agency hired a consultant to serve as compliance officer in 2011.**
 - **The Agency entered into a contract for an Executive Director in September 2011. The new director has many years of experience as a CEO of a large county-wide industrial development Agency.**
 - **The Agency appointed a CFO in early 2011.***
7. Internal Controls: Review, Revise and adopt best practices for management of finances. – 1
 - **The Audit Committee is revising its internal control.**
 - **All requests for travel are now approved by the Agency.**
 - **The Agency hired a part time CFO/comptroller in 2011.***
8. Organize and Separate Agency project files that have been integrated with files of the Department of Planning and Development.
 - **The Agency retrieved several years of financial records and active project files. It was agreed that the joint projects will be archived.**
9. Inventory and archive project and activity files. Archive completed project files in a safe and sound building.
 - **Following a torrential flood, the Agency archives were moved to dry and heated room in the City's archive space.**

Adopted April 30, 2012

City of Newburgh Industrial Development Agency 2012

Mission Statement and Performance Measurements January 1 to December 31, 2012

Mission Statement:

The mission of the City of Newburgh Industrial Development Agency is to advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Newburgh and to improve its recreation opportunities, prosperity and standard of living, through the promotion, development, encouragement and assistance of industrial, manufacturing, warehousing, commercial, research and recreation facilities, educational or cultural facilities, health care facilities and continuing care retirement communities, in the City of Newburgh.

Enabling Legislation:

The City of Newburgh Industrial Development Agency was formed under Article 18 A of the NYS General Municipal Law as a public benefit corporation. It can provide financial assistance consistent with the aforementioned law. It is subject to compliance with the Public Authorities Accountability Act of 2005 and Public Authorities Reform Act of 2009

List of Performance Goals for 2012:

1. Recertify Agency: Complete and submit outstanding annual reports and audits.
2. Retention, Expansion and Business Attraction.
 - Facilitate economic development in conjunction with the City of Newburgh, Orange County Partnership, local economic development initiatives, workforce development and Empire State Development:
 - Establish a central office/website dedicated to provide information on available business, workforce, energy conservation and related economic development assistance programs.
 - Communicate the practices and policies of the Agency to eligible businesses to promote retention and expansion of jobs.
 - Provide information on issuance of industrial revenue bonds to eligible businesses in the City
 - Provide incentives to stimulate private investment in underutilized buildings and create and/or retain jobs.
 - Participate in the City's CDBG Phase I study on Assessment of Workforce Development for hard core unemployed and other initiatives dedicated to the economic goals of the Agency.

- Maintain an inventory of available commercial and industrial properties for sale or lease; outreach to brokers.
- Inventory Agency owned property and determine redevelopment potential.
- Promote business relocation and jobs to available properties in conjunction with marketing efforts of economic development entities involved in marketing sites in Newburgh.
- Further the clean-up of Agency-owned property that may contain hazardous materials from an adjacent superfund site (US EPA); conduct an assessment of the property via a Brownfield Opportunity Area initiative and assistance from NYS Dept. of Environmental Conservation.

3. Website Maintenance consistent with ABO requirements – Post meeting notices, minutes, audits, ABO reports, policies, by laws and mission – on going

4. *Governance Committee, with assistance from Counsel, will review bylaws and policies and update as required.*

5. Support Small business assistance in concert with local economic development entities through public information campaign.

6. Transparency and Compliance: comply with all state regulations

7. Audit Committee review of Internal Controls: Review, Revise and adopt best practices and audit recommendations.

Additional Questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority? **YES**

2. Who has the power to appoint the management of the public authority?

The Members of the Agency approve appointment following full board interview, and review of the applicant's experience the by the Governance Committee.

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority.

Yes, the Agency's by-laws establish responsibilities and experience required for its management positions.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

The Board makes policy, establishes best practices and directs the management of the Agency with advice from Counsel. It directs Agency goals, and monitors achievements/completion of tasks. Management is responsible for the day to day operations of the Agency in compliance with state laws, regulations and best practices.

5. Has the Board acknowledged that they have read and understand the responses of each of these questions?

Yes.

Adopted: April 30, 2012

RESOLUTION NO. 2012-3-19-2

OF

March 19, 2012 (adopted April 30, 2012)

A RESOLUTION AUTHORIZING THE TREASURER AND EXECUTIVE DIRECTOR TO ENROLL IN WIRE TRANSFER PROGRAMS FOR DEPOSITS TO IDA BANKING ACCOUNTS

WHEREAS, The City of Newburgh Industrial Development Agency (“NIDA”) wishes to streamline its day-to-day functions;

WHEREAS, the NIDA office is open part-time and staff is not regularly available to make timely bank deposits; and

WHEREAS, businesses and companies that provide fees to NIDA have adopted paperless financial transactions,

NOW THEREFORE BE IT RESOLVED, that the Treasurer and Executive Director are authorized to approve electronic transfers of fees generated by projects and leases to the Agency’s checking account and when possible generate paperless payments for its disbursements.

The question of the adoption of the foregoing resolution was duly put to vote on roll call, which resulted as follows:

	<i>Yea</i>	<i>Nay</i>	<i>Absent</i>	<i>Abstain</i>
Joshua Smith	X			
Richard Bedrosian	X			
Michael Curry	X			
Jerry Maldonado			A	
Sean O’Shea	X			
John Penney	X			

The resolution was thereupon duly adopted April 30, 2012.