

**CITY OF NEWBURGH
INDUSTRIAL DEVELOPMENT AGENCY ("IDA")
MINUTES OF MEETING
JULY 24, 2012**

Present

Board Members: Joshua Smith, Chair
Richard Bedrosian
John Penney
Sean O'Shea
Michael Curry
Jerry Maldonado
Counsel: Thomas Whyatt, Esq.
Staff: Theresa Waivada, CEO
Presenters: Gerald Jacobowitz, Esq., John Cappello, Esq.
In Attendance: Mayor Kennedy, Ronald Hughes, Councilman Dillard, Tamie Hollins,
Shiela Monk

Roll Call Mr. Smith called the meeting to order at 7:25 pm in the Law Office Library. A quorum was present. The order of the Agenda was changed by unanimous consent to accommodate the attorneys representing Hudson Valley Lighting to present a letter of interest for the Agency's property on Scobie Drive and answer questions. (Letter and site maps are attached.)

Mr. Jacobowitz gave a brief history of Hudson Valley Lighting ("HVL") which leases a building on Pierces Road. The principal of HVL is David Littman, and the family has been in the lighting manufacturing business for many years. The firm has achieved international success and needs to expand their facilities. HVL proposes to build a new facility between 200,000 and 300,000 square feet on IDA owned land on Scobie Drive. HVL also requests a few boundary adjustments to maximize the utilization of the site which would require a swap of equal sized land between the Agency and City. (See Map distributed) The proposal for the swap parcel will make the site easier to develop. Hudson Valley Lighting is seeking the IDA's agreement to acquire the City site. HVL asks the IDA to join them in asking the City Council to approve a swap of land between the City and IDA. Once approved, HVL would then apply to the New York State Brownfield Clean-up Tax program which allows the developer to receive a tax credit for the cost of cleaning up the site. The proposed project requires many steps but in the end will retain jobs, create jobs and pay taxes on a currently exempt parcel. The facility would also spur other development. It's a complicated project that must address clean-up issues requiring a costly brownfield remediation of the entire parcel.

Mr. Maldonado asked for their timeline. Mr. Cappello explained that the Brownfield Program will sunset in 2015 at which time the project and construction must be completed. Acceptance in the program makes the project economically feasible. Discussion followed. Mr. Jacobowitz said a swap of land makes more sense and is more efficient for HVL to go to one board (IDA) instead of two (CITY and IDA). Mr. Whyatt: the IDA would need to have a preliminary subdivision lot in order to draw up a contract with HVL. Ms. Waivada: the first step is to have the City's agreement for the land swap and then find out what the DEC application requires. Mr. Jacobowitz: We need a Resolution of Inducement as early as possible because that triggers eligibility for funding and expenses. Ms. Waivada: advised that the IDA should ask the City Manager to be placed on the Agenda at the Council's next work session in August to bring this major development proposal to their attention and approval. Mr. Maldonado, on behalf of the members, assured HVL that the IDA is enthusiastic to help this project.

Mr. Penney: Motion to support moving ahead with this project and requesting that the City Manager be contacted to place the project on the Council's next work session.

Mr. Maldonado: Motion Seconded.

Discussion: Mr. O'Shea asked about the size of the current leased space. Mr. Cappello estimated it at 100,000sf.

VOTE: Unanimously approved by Roll Call

Ms. Waivada will contact the City Manager immediately to request that HVL be placed on the August 9th or 16th Work Session. Mr. Jacobowitz suggested a meeting with staff and City Manager prior to the Work Session and Ms Waivada will suggest that to Mr. Herbek. Mr. Smith noted for the record that this will be the first significant project that the IDA has been involved in for many years and is delighted that the IDA's re-certification allows the Agency the ability to offer incentives for the development.

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

2. **Approval of Minutes of June 18 Monthly Meeting**

Mr. Curry: Motion to Adopt the June 18 Minutes.

Mr. Penney: Motion Seconded

Vote: Unanimously adopted.

3. **Bills and Treasurer's Report.** Mr. Curry presented the Treasurer's report (ending balance of \$745,977.26) and requested a motion to accept payment of seven invoices as presented.

Mr. Penney: Motion to approve checks 2028 - 2034.

Mr. Maldonado: Motion Seconded.

Discussion: Mr. Penney asked about the invoice for the Drum Cache.

VOTE: Unanimously approved.

Mr. Curry presented the 2012 mid-year budget report. The Board discussed how to pay bills during month of August. Ms. Waivada requested authorization to pay 'emergency' bills as long as they are signed by 2 members. Mr. Bedrosian: can authorization be by e-mail? Mr. Whyatt: to the extent that it's an action, it has to be a meeting.

Mr. Curry: Motion for the Board to approve up to a cumulative total of \$2500 in payments if deemed appropriate by the Executive Director, requiring two signatures, with motion expiring night before September 17th meeting.

Mr. Maldonado: Motion seconded.

VOTE: Unanimously passed.

Mr. Curry reported on the Site Tour of July 14th. Attending were: Ms. Waivada, Messrs. Smith, O'Shea, Penney and Curry.

- 150 Ann St. had been weed-wacked by parties unknown. Action plan: Request and pay for city staff for maintenance and cleaning of property.
- 1 & 2 Corwin Court: No action required, unless we can find more occupants.
- Murphy's Ditch: Action Plan: monitor addition development on the site to ensure any payments to the Agency. Mr. Curry stated that Home Depot was paying \$1000/yr, but those payments ended. Counsel will review the terms of the contracts in the archives.
- 105 West St. Parking Lot: fully parked with 12-16 vehicles, rubbish. Curb, sidewalk and lot all need repair. Action Plan: Reimburse city to maintain the site. Ask City Planner to determine suitability to turn the site into a parking lot. Conduct an RFP for business to

undertake the operation of a parking on the property following communication with adjacent homeowners.

Mr. Bedrosian: Motion to issue an RFP

Mr. Penney: Motion seconded

Discussion: What's the value of the property? How will the RFP be written? More information is required.

Mr. Bedrosian modified the Motion to read: Motion to authorize exploration by the Executive Director and if she deems issue an RFP.

Mr. Penney: Motion seconded.

VOTE: Unanimous.

- West Street: Lambert owned building. It was announced that the premises will be occupied in August by a call center. There were questions about zoning, 485-b tax abatements (are the other properties eligible?) sale price, number of employees. Mr. Curry asked if any moneys were due the IDA from the sale. Mr. Bedrosian: the IDA loaned Mr. Lambert financing to buy the land. Question has to be researched.
 - Action Plan: review the archives regarding any obligations Northeast Development might have with the IDA. Look for Minutes authorizing a mortgage (\$50,000) which was re-negotiated 4 times. Mortgage was 'excused' by Bob McKenna.
- SITE#1 & SITE #5, Cassidy, Orchard, Keefe. (Approximately 4 acres). Action Plan: Review zoning, EDA restrictions, and topographical map. Determine what is usable, accessible, highest and best use. Mr. Bedrosian: The EDA grant paid for utilities to be delivered to the site. Mr. Penney: utilities ended where the construction ended.

4. **Communications and Report From Executive Director:**

- The Council approved our contract with CDBG, This grant will provide for purchase of a data base of businesses in the city that be used to identify clusters, augment the workforce outreach initiative and provide data on available industrial and commercial buildings in the city.
- Small Business Tax Abatement Program: is in place and ready to go.
- The Diner on Robinson Avenue will not be applying for assistance.
- Orange County Partnership, IDA and City will facilitate placing an inventory of Newburgh' available properties (to put on their website).

Mr. Curry: Motion to approve the contract with the City

Mr. Maldonado: Motion Seconded

Discussion: None

VOTE: Unanimously passed

- 5. Report from Counsel: Corwin Management LLC: Mr. Whyatt presented a check, payable to the City of Newburgh, for \$275,599.38. The check is for settlement of back PILOT payments from Corwin Management LLC. Mr. Whyatt can release the check upon the IDA's adoption of a motion to accept for the city in payment of a settlement of a claim. He also presented a check for \$5,928 payable to the IDA as reimbursement for the fees to collect these back payments. Mr. Whyatt re-capped the situation and the history of this claim which is being settled in the form of a Stipulation of Discontinuance. The Board asked about Corwin Management purchasing the building. Corwin would have to pay all taxes, including school bills before they

are eligible to purchase the property. Once they own the property, the PILOT ends, and they will pay taxes at the current rate. Mr. Curry referenced Corwin's 2008 request to re-negotiate the PILOT once they discovered that it was more than the taxes.

The Foundry: Mr. Whyatt reported that he is still awaiting the judge's decision on the Motion to Intervene.

6. Reports of Committees

Audit Committee: Ms. Waivada and Mr. Curry will organize a meeting for August to set the audit schedule before the September meeting. Mr. Curry will be out of the country for next IDA meeting.

Governance Committee: All policies must be re-adopted and the Committee must start reviewing them. Ms. Waivada will send information to the committee. Reaffirmation is due by December. Any By-Law changes should be made as soon as possible.

7. Old Business.

- EPA Drum Barrel Cache Project. No Update:
- Website compliance: Ms. Waivada asked the Board to complete their biography forms as quickly as possible.
- Invitation to Assemblyman Skartados: Ms. Waivada will try to reschedule for September.

8. New Business:

- **Proposed Meeting with ABO** A date will be determined. The Agency members were asked to submit issues to be discussed at the meeting such as the Agency owning residential properties, measures to ensure compliance etc.

NEXT MEETING: There is no meeting in August. The next meeting is scheduled for September 17th. At the September meeting the Agency must adopt a 2013 Budget and Financial Plan for submission to PARIS

DISCUSSION: Councilman Dillard asked about the status of the West St. Property. Ms. Waivada advised that the Agency will review disposition issues for jointly owned properties and consider preparing a letter of availability for Brokers.

Mr. Curry: Motion to adjourn
Mr. Maldonado: Motion seconded.
VOTE: Unanimously approved.

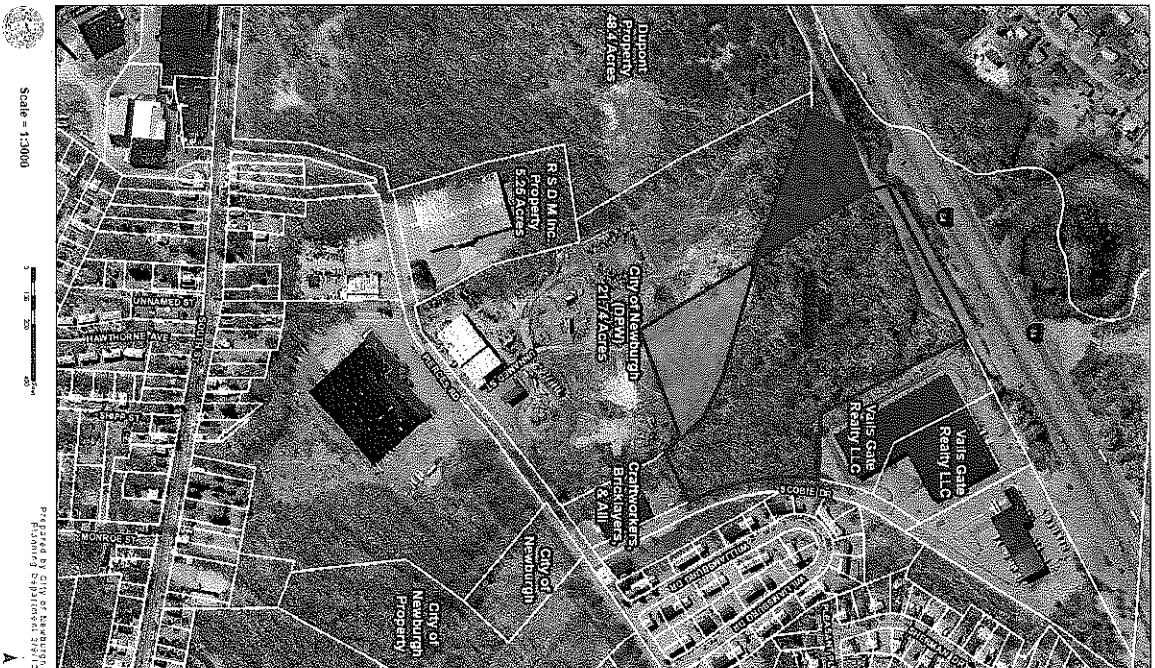
The meeting was adjourned at 8:35 pm.

Respectfully submitted,

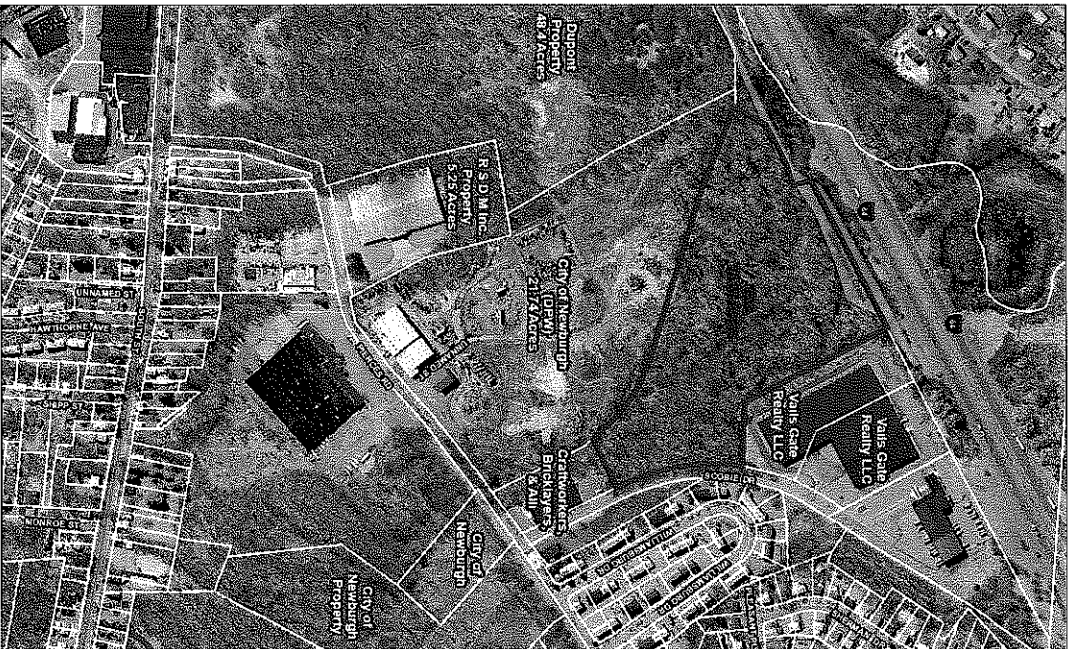

C. K. Boyle
Recording Secretary

July 24, 2012

Triangular Exchange



Current Conditions



Scale = 1:3,000

0 50 100

Prepared by City of Newburgh
Planning Department 2/18/11

6-MONTH Budget Analysis

<u>Adopted 2012 Budget</u>			
<u>Revenues:</u>	<u>Budget</u>	<u>6/30/2012</u>	<u>Variances</u>
Fees from projects	0.00	0.00	0.00
Fees and rent	92,000.00	34,893.26	57,106.74
Easement income	0.00	0.00	0.00
EDA grant reimbursement from City	0.00	0.00	0.00
Settlement of promissory note	0.00	0.00	0.00
Interest	6,000.00	342.73	5,657.27
Contracts/grants	TBD	0.00	0.00
Fund Balance	<u>107,618.00</u>	<u>98,723.47</u>	<u>8,894.53</u>
Total Revenues:	205,618.00	133,959.46	71,658.54
<u>Expenses</u>			
<u>Personnel</u>			
Staff - Contractual	45,000.00	28,589.00	16,411.00
Legal services	75,000.00	54,603.00	20,397.00
Engineering/Brownfield	25,000.00	7,007.50	17,992.50
Audit	<u>15,000.00</u>	<u>27,109.65</u>	<u>(12,109.65)</u>
Subtotal of Personnel:	160,000.00	117,309.15	42,690.85
<u>City of Newburgh Services:</u>			
Personnel: Dir. Of Development, Assessor, GIS, reception	19,318.00	12,497.64	6,820.36
Archives	2,500.00	0.00	2,500.00
Website Maintenance, server connections, scans, etc	2,500.00	0.00	2,500.00
Office and meeting room rental	3,000.00	0.00	3,000.00
Telephone/ land line	<u>450.00</u>	<u>0.00</u>	<u>450.00</u>
Subtotal of City Contract For Services:	27,768.00	12,497.64	15,270.36
<u>Operating Costs:</u>			
Directors insurance	1,800.00	0.00	1,800.00
Equipment supplies and repairs	600.00	0.00	600.00
Office supplies	500.00	339.39	160.61
NYS EDC annual membership	1,250.00	750.00	500.00
Wireless telecommunication	1,000.00	168.71	831.29
Postage	100.00	25.00	75.00
Travel and Development	5,000.00	675.34	4,324.66
Collateral materials for retention & attraction	<u>2,500.00</u>	<u>0.00</u>	<u>2,500.00</u>
Subtotal For Operating Costs:	12,750.00	1,958.44	10,791.56
<u>Other Costs:</u>			
<u>Property Management:</u>			
Insurance Property and Office Liability	2,100.00	1,144.23	955.77
Title searches	500.00	1,050.00	(550.00)
Property maintenance/contractual	<u>2,500.00</u>	<u>0.00</u>	<u>2,500.00</u>
Subtotal For Property Management:	5,100.00	2,194.23	2,905.77
Contract/Grants (EPA, CDBG):	TBD		
Total Expenses	<u>205,618.00</u>	<u>133,959.46</u>	<u>71,658.54</u>
Surplus/(Deficit)	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>

Motion 1-07-24-2012
July 24, 2012

Corwin Management – non payment of PILOT litigation Settlement.

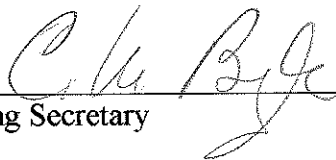
Following discussion on the stipulated settlement,

Michael Curry made a motion to authorize Thomas Whyatt, Counsel to the Agency, to execute the Corwin Management Stipulated Litigation Settlement and to distribute checks for unpaid PILOT payments to the City of Newburgh and reimburse the Agency for its legal cost.

Seconded by: John Penney

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

The motion was thereupon duly adopted.



Recording Secretary

July 24, 2012

Motion 2012-7-24-2
July 24, 2012

Community Development Block Grant Program contract with the City of Newburgh Industrial Development Agency.

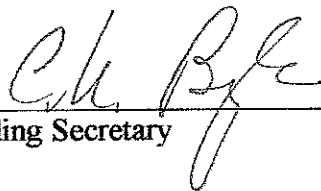
Following a presentation by the Executive Director explaining the scope of services and reimbursements:

Mr. Curry made a motion to affirm the entering into a contract with the City of Newburgh by Theresa Waivada, Executive Director for cost reimbursement to undertake specific economic development tasks as approved by the City Council based on a specific scope of services for \$15,000 and to increase the 2012 budget by \$15,000 as detailed in the attached budget.

Seconded by: Mr. Maldonado

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

The motion was thereupon duly adopted.


Recording Secretary

July 24, 2012

Budget --2012 CDBG-City Contract

Cost/Item	Approved/Allocated Budget FY 2012 CDBG	Funding Spent During Reporting Period	Balance
Professional Staff	7,000		
Data Entry and website development	2000		
Total Personnel Costs:			
Purchase of business data for city	2500		
Design and printing of Collateral materials, postage, workshop materials.	3500		
Total Program Operating Expenses:	15,000		
Grand Total			