



Choose Columbia

Columbia Economic Development Corporation

MINUTES

Minutes for the meeting of Columbia Economic Development Corporation and the Columbia Development Leasing Board of Trustees held at the Columbia County Chamber of Commerce offices located at 1 North Front Street, Hudson, New York, **Tuesday**, June 24, 2014 at 8:30am.

<u>ATTENDANCE:</u>	<u>MEMBERS EXCUSED:</u>	<u>REPRESENTATIVES:</u>	<u>STAFF:</u>
Mary Bartolotta	Bill Better	John Porreca	Lisa Drahushuk
Bruce Bohnsack	Rick Bianchi		Ken Flood
Jim Campion	Tom Cappadona		Martha Lane
David Colby	Paul Colarusso		
David Crawford	Patrick Grattan		<u>COUNSEL:</u>
Greg Fingar	Don Kline		Andy Howard
Bruce Finn			
Tony Jones			<u>PUBLIC</u>
Sharyn Richards			Joe Gentile
Robert Sherwood			
Colin Stair			
Sarah Sterling			
Michael Vertetis			
Scott Wood			

Mr. Crawford called the meeting to order at 8:30 a.m.

Minutes:

Mr. Crawford asked if there were any changes to the minutes of May 27, 2014. With no changes proposed, Mr. Bohnsack made the motion to approve the minutes as previously distributed. Mr. Stair seconded the motion, which passed unanimously.

Marketing/Public Relations Update:

Mr. Flood stated the scheduling had begun for the business outreach/visitations. He asked the Board to call if they had suggestions for businesses they felt should be visited. He noted that 30% of the businesses visited last year, had reached out for some sort of assistance.

Mr. Flood informed the Board he had begun working with Behan per the guidance given at the May CEDC Board meeting. He stated he had spoken to Bill Callan about educating the residents of Columbia County about the importance of CEDC. Mr. Jones expressed his confusion. He thought only a proposal and not a contract had been authorized by the board vote. Mr. Flood stated he had been asked to execute the proposal. Mr. Crawford stated Behan could be used as

needed. Mr. Jones asked what would be gotten for the amount paid. Mr. Crawford stated CEDC would be charged hourly up to \$10,000. He stated the next step was how to proceed in the future.

Mr. Jones stated the minutes had shown a discussion with an approved motion to obtain a proposal, not a contract. Ms. Sterling suggested Behan be invited to the next meeting to discuss their proposal. Ms. Richards asked the hourly rate. Mr. Crawford stated the hourly rate would depend upon which staff member was being used. Mr. Vertetis suggested requesting a pro bono proposal. Mr. Crawford asked that the Board give Behan a chance in order to see what they could do.

Ms. Bartolotta noted the negative perspective gets out and some positive perspective is needed. She noted that Ginsberg's had longevity in the County and deserved support. Mr. Crawford noted that Ginsberg's was well on their way to completion. He noted Behan could use Ginsberg's as a CEDC accomplishment.

Mr. Wood referenced Mr. Stair's comments about a broad strategy and support and asked if a proposal could be obtained around that. Mr. Bohnsack asked if a scope of work was available to send to the Board for comments. Mr. Stair asked for clarification about the proposal. Mr. Crawford stated it was a contract and it had been signed. Mr. Flood suggested Behan be invited to the July 29th Board meeting.

Community Advantage Loans:

Ms. Lane informed the Board that the SBA was promoting Community Advantage Loans, which were loans of \$250,000 and under. There was an SBA guarantee associated with the loans. As an associate lender, CEDC could get a \$1,000 fee or 2% fee depending on the size of the loan. Ms. Bartolotta asked how much work was associated with the program. Ms. Lane stated it was similar to a referral service, noting the business should be known to CEDC before referring to NYSBDC.

Mr. Crawford stated the loan committee had discussed the program. Mr. Sherwood asked if CEDC could participate in the loan. Ms. Lane stated CEDC could make a separate loan. Mr. Fingar asked about the territory. Mr. Flood stated Northern Dutchess and Southern Rensselaer would be a good place to begin. Ms. Lane thought HVADC would be a good place to obtain referrals. After a brief discussion, Mr. Fingar made the motion to approve becoming an associate lender with the program. Ms. Bartolotta seconded the motion, which passed unanimously.

Authority Budget Office Requirements:

Mr. Flood reminded Board members who had not yet done so to take the required training and to complete the annual financial disclosure.

NYS CFA Round #4:

Mr. Flood noted three applications had been filed in round 4. He stated an application for Lonestar had been filed for water, sewer and road for the property to make the parcel a shovel-ready industrial park. He noted the road plan was to go from Route 66 to Route 23B.



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Mr. Flood stated an application for the North Bay proposed walking trails and education center engineering work had been filed. He noted the application was through the County. He stated the third application was for \$2.5 million 2 floor rehabilitation for Columbia Memorial Hospital. One floor would be converted to a cardiac rehabilitation facility and the other floor would be converted to an out-patient mental health treatment area. Mr. Jones asked if healthcare was a "preferred" theme. Mr. Flood stated it was, noting that Albany Medical Center was on the council. He noted Columbia Memorial Hospital was the largest employer in the County.

Mr. Porreca noted he had toured the Lonestar property with a business, he declined to name stating the company was interested in purchasing a large amount of property. He felt the by-pass road was important and could be beneficial to attracting future companies. The Board discussed the proposed road.

Other Business:

Mr. Flood reminded the Board he had proposed the local economic development committee support program to CEDC several years ago. This program would enable the local town endorsed economic development committees to use CEDC as the designated 501(c) 3 corporation to receive their donations. This allows the donation to become tax deductible. CEDC would also distribute funds at the organization's request. He had asked Mr. Howard to review the program.

Mr. Flood stated he had received a request from Behold! New Lebanon to act as their fiscal agent while they were applying for their 501(c)3 status. Mr. Flood handed out an email, from Behold! New Lebanon which outlined their request. Mr. Flood noted they had offered a fee of 1% of the donations submitted through CEDC. He had replied to them that 5% was more reflective of the staff time and expenses. He noted a separate bank account would need to be maintained and monitored, checks would need to be written and donations monitored and the account would be subject to the CEDC audit.

The Board discussed the issue including the fee. They asked Mr. Flood to check the level of donation required to cover the added staff time. They asked Mr. Howard to review the request. Mr. Wood suggested a hold harmless agreement be required for such arrangements. Mr. Flood stated the board requests would be completed prior to the next meeting and the matter could be brought to a vote at the July meeting.

Other Business:

Business Assistance:

Mr. Flood asked the Board to enter Executive Session to discuss personal financials on a loan request. Mr. Fingar made the motion to enter Executive Session, Ms. Bartolotta seconded the motion, which passed unanimously. Executive Session was entered at 9:19am. Mr. Fingar made a motion to exit Executive Session at 9:22am. Mr. Bohnsack seconded the motion, which passed unanimously.

Mr. Flood stated Village Dodge had requested a loan of \$100,000. He stated the Loan Committee had approved the request with a term of 10 years and at 5% interest and machinery and equipment as collateral. Mr. Wood made a motion to approve the loan as outlined. Mr. Fingar seconded the motion, which passed unanimously.

Pine Haven Update:

Mr. Flood informed the Board that the Board of Supervisors had voted to draft and issue an RFP for the sale of the home. The costs for maintaining the nursing home were projected to be \$4 million per year, which would necessitate a property tax increase of 10%. The Board discussed the issues.

Mr. Wood asked the Board to revisit the topic of ABO compliance. He reminded the Board that 2 years ago the Board had agreed to comply with the ABO regulations. He suggested that a letter be sent to all non-compliant Board members that if they should become compliant within 60 – 90 days of the letter date. Mr. Crawford noted that the ABO regulations were not in effect when most of the Board had been elected to serve. Mr. Wood noted that the ABO regulations were the rules under which CEDC was obliged to operate under at the present time. He understood if a Board member felt strongly opposed they might need to resign, but felt that CEDC as a group could not state they would not comply after having agreed to do so.

The Board discussed and agreed to have the topic discussed at the next Executive Committee meeting before any action was taken.

With no further business, Mr. Crawford called for a motion to adjourn the meeting. Mr. Fingar made the motion, which was seconded by Ms. Bartolotta. The meeting adjourned at 9:35am.

Respectfully submitted by Lisa Draushuk