



MINUTES

Minutes of a special meeting of the Columbia County Industrial Development Agency held at 4303 Route 9, Hudson, NY on **Tuesday, March 17, 2015.**

ATTENDANCE:

<u>IDA Members</u>	<u>Staff</u>	<u>Counsel</u>	<u>Public:</u>
Bruce Bohnsack	Lisa Drahashuk	Theodore Guterman II	
Bob Galluscio	Ken Flood		
Jim Mackerer	Erin McNary	<u>Guests:</u>	
Sid Richter	Ed Stiffler	Melissa Waterhouse	
	Carol Wilber	Bill Better	

Mr. Bohnsack called the IDA meeting to order at 8:30am.

American BioMedica Refinancing:

Mr. Flood introduced Melissa Waterhouse, CEO of American BioMedica, and the corporate attorney, Bill Better. Mr. Flood stated that an application and an application fee had been received from the company. He noted they were requesting a mortgage tax exemption on their refinancing

Mr. Guterman noted AMBC was an existing IDA project, with an existing lease and a current PILOT. He explained that the IDA had to participate in the refinance due to the project status. He noted there was a standard no recourse clause covering the IDA. He noted the original financing was through First Niagara and had been done in 2009. He stated the new financing through Cherokee Financial LLC would be for \$1.2 million removing participation by First Niagara. He noted the IDA would continue participating and was being asked to consider mortgage recording tax exemption on the new financing.

Mr. Guterman stated that Mr. Mackerer had disclosed he held shares in American BioMedica Corporation. Mr. Guterman stated he had researched if this would constitute a conflict of interest. He noted that he had determined that there was no conflict under Section 802 of the General Municipal Law because the number of shares held by Mr. Mackerer were under the 5% threshold. He noted the holding of the shares would not affect Mr. Mackerer's ability to discuss or vote on the project.

Mr. Guterman stated this action was considered a type 2 action under SEQR. He handed out a proposed resolution that he asked the Board to read and to consider.

Mr. Better noted the company employed 70 employees and in refinancing the debt would allow for a decrease in the interest rate. He stated the company intended to consolidate

jobs in Columbia County from New Jersey. He noted they would be coming to CEDC to borrow funding for building renovations in preparation of the consolidation.

Ms. Waterhouse noted the company had closed 2 plants allowing for efficiencies. She noted that the physical consolidation of the company would also add efficiency. She stated the cost per employee in NYS was greater than it was in New Jersey, but the company had chosen to focus its business in Columbia County. She outlined some of the changes that were planned to assist the company to become more competitive and profitable. Mr. Richter questioned Ms. Waterhouse on the current financing and fiscal standing of the company. Ms. Waterhouse answered that the refinancing would be reducing the interest rates and thereby company losses. She noted with the physical consolidation of manufacturing, administration and research and development, she planned to transition to traditional financing by the end of the year. She noted that she has increased the outside sales force and had set up a pilot program in Wisconsin, which was anticipated to become a \$1,000,000 account.

Mr. Bohnsack asked Mr. Guterman to review the proposed resolution with the Board. Mr. Guterman reviewed the proposed resolution, noting it contained a no recourse provision protecting the IDA. Mr. Guterman suggested the Board discuss the fee. Mr. Flood referenced the IDA fee policy. He noted the application fee of \$1,000 had been received. He noted the policy stated the fee for refinancing would be \$1,000 plus one percent of any new money being financed. Mr. Guterman noted that there was no new money being financed and he would recommend the fee charged be \$1,000.

Mr. Bohnsack asked if there were questions about the proposed resolution authorizing the refinancing. With no questions, Mr. Richter made a motion to approve the resolution as presented. Mr. Mackerer seconded the motion, which passed unanimously. Ms. Waterhouse and Mr. Better thanked the Board and exited the meeting at 9:13am.

Limz Group, LLC.:

Mr. Flood noted Limz Group, LLC had approached him about purchasing two parcels in the Commerce Park to construct a 7,500 square foot building. They intended to store machines for distribution and refurbishment and eventually may do some painting. Mr. Flood stated the selling price of the parcels was \$30,000. The company had placed a \$4,500 deposit on the property as requested. He informed the IDA that the Columbia County Board of Supervisors had approved the sale at their March 11th meeting.

Mr. Guterman stated the mortgage would have a penalty mortgage attached to it, which would require the company pay the penalty or turn back the property if it were not built upon or pay the penalty amount if it were sold within 7 years of the initial sale date. Mr. Bohnsack asked if the County had control over who purchased the property after the initial purchaser. Mr. Guterman stated they did not, but noted there were guidelines for businesses located in the park, that any new business must meet.

Mr. Guterman reviewed the proposed resolution for the sale of the property. He noted the closing on the property was scheduled for March 31st. Mr. Bohnsack called for

questions. With none presented, he called for a motion to approve the resolution as presented. Mr. Mackerer made the motion to approve the resolution. Mr. Richter seconded the motion, which passed unanimously.

Mr. Flood reminded the Board the CEDC annual meeting would be held on March 31st at 8:00am. He informed the Board that John Gilstrap of Empire State Development would be speaking as would Jay Cahalan or some other representative from Columbia Memorial Hospital. He also informed them John Ng from Hudson Seafood would be speaking.

Mr. Flood stated there may be a role for the IDA in the Hudson Seafood water project. He informed the Board the project required 1 million gallons of unchlorinated water daily. He noted that NYS DEC was pleased with the company's discharge plan. Mr. Bohnsack asked Mr. Flood if a tour were possible. Mr. Flood thought that would be possible.

Mr. Guterman suggested the Board discuss the vacancies on the Board. He noted there had been one vacancy for over a year and Mr. Stickles and Mr. Kline had both resigned within the past week. Mr. Flood reminded the Board that the individuals were appointed by the Board of Supervisors. He stated he would relay the IDA Boards suggestions to the Board of Supervisors. He stated the full Board meeting would be held on the 2nd Wednesday of April. Due to the lack of a quorum for the April meeting, the next Board meeting will be held in May.

Mr. Bohnsack wanted to officially thank both Mr. Stickles and Mr. Kline for their years of service. He stated he had asked Ms. Wilber to draft a letter and obtain the Board's signatures and forward the letter to Mr. Stickles and Mr. Kline. He thanked her for her efforts. Mr. Bohnsack stated that he had decided that he would also resign for the Board. He noted that due to the lack of current Board members he had decided to resign effective August 31st 2015.

Mr. Richter asked Mr. Flood the status of the Ginsberg project. Mr. Flood stated they had looked at another potential site but no final decisions had been made. He stated they will wait until the court case is finalized.

Mr. Mackerer asked the status of the attorney fees. Mr. Flood stated he has done a memo and will approach CEDC for \$25,000 in reimbursement.

With no further business, Mr. Richter made a motion to adjourn the meeting. Mr. Mackerer seconded the motion, which passed unanimously.

The meeting was adjourned at 9:44am.

Respectfully submitted by Lisa Drahusluk