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Columbia Economic Development Corporation

MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
Tuesday, July 26, 2016
4303 Route 9
Hudson, NY 12534

A regularly scheduled meeting of the Columbia Economic Development Corporation (CEDC) Board of Trustees was held at their offices located at 4303 Route 9, Hudson, NY 12534 on July 26, 2016. The meeting was called to order at 8:30a.m. by Tony Jones, Chair. While waiting for Mr. Lee's arrival to obtain a quorum, the Board had discussions concerning ongoing economic development projects, a report from the Chairman of the Board of Directors, and President/CEO Tucker.

Attendee Name	Title	Status	Arrived
Russell Bartolotta	Board Member	Excused	
Rick Bianchi	Treasurer	Present	
Jim Campion	Board Member – Ex Officio	Present	
David Fingar	Vice-Chairman	Present	
Tish Finnegan	Board Member	Excused	
Triona Fritsch	Board Member	Present	
Kate Johns	Board Member	Present	
Tony Jones	Chairman	Present	
James Lapenn	Board Member	Present	
John Lee	Board Member	Present	
Jim Mackerer	Board Member – Ex Officio	Excused	
Ed Nabozny	Board Member – Ex Officio	Present	
Michael Polemis	Board Member	Excused	
Robert Sherwood	Board Member	Excused	
Colin Stair	Board Member	Present	
Sarah Sterling	Secretary	Present	
Andy Howard	CEDC Attorney	Present	
F. Michael Tucker	President/CEO	Present	
Lisa Draushuk	Administrative Supervisor	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Ed Stiffler	Economic Developer	Present	
Carol Wilber	Marketing Director	Present	
Katie Kocijanski	Register Star	Present	

Chairman's Report:

Mr. Jones updated the Board on the broadband project and the sewer project, noting the Board of Supervisors had approved the Greenport option dependent on funding with an expected division of 25% EFC grant, 25% combined DEC and ESD grants, and a 50% no-interest loan. He stated Mr. Tucker had put a great deal of time and effort into coordinating the pieces. He stated the project would open up the corridors along 9H/66 for development, an area well suited for such activity.

Mr. Jones noted that CFA deadline is this Friday and Mr. Tucker had aided several applicants, most notably Hawthorne Valley Association. He also coordinated meetings at ESD for CMH and Ginsberg's. He noted that strategically CEDC intends to limit our future exposure to the grant administration business in favor of having CFA grants wherever possible go directly to the applicant. Mr. Jones informed the Board, Hudson Valley Creamery had completed the purchase of their building and would be moving forward with their expansion plan under the name of Agrial. He noted work continued on the goat genetics study.

President's Report:

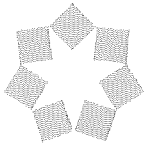
Mr. Tucker stated the application for Erate was due in April 2017. He and Ann Mueller continued to put all available information together. He stated the NYS program had completed their review and once awarded movement can be made to phase two. He stated he is seeking to be the pilot program for the entire state.

Mr. Tucker informed the board that the total cost of the proposed sewer project at the Commerce Park had been estimated at \$7 million. He stated he had submitted applications to two state agencies through the CFA process. He stated the project would have a tremendous impact on the county. Mr. Tucker stated Ms. Wilber had written between eight and ten letters of support for various CFA applications throughout the county.

Mr. Tucker stated he had met with the City of Hudson IDA regarding the proposed administration by CEDC. He stated he used the current contract between CEDC and the County IDA and presented the same contract to the City. The contract outlined \$2000 per month with an added 20% of project fees exceeding \$100,000. The City responded with a request to pay a flat administrative fee and 10% of any project administrative fees. The City stated they would need to review and discuss the proposal. He stated their response would give CEDC a sense of their preference. He noted that monitoring for two IDA's would allow for a critical mass ensuring better compliance for both organizations.

Mr. Tucker asked the Board if they had any questions about the proposal. Mr. Bianchi asked if it were economically feasible. Mr. Jones stated it allowed for a consistency between the County and the City IDA's. Mr. Tucker stated it would be helpful to work together, noting it would open up lines of communications.

Mr. Jones outlined the priorities for the next six months, which included the CEDC budget process, the 2017 contract with Columbia County and preparing a yearend update to show the organization's performance in terms of the strategic plan goals



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Mr. Tucker stated the Governor would be in the region sometime in the coming week. He stated he was working through the Hudson Opera House on a tourism survey. Mr. Howard stated CEDC gets no benefit. Mr. Tucker stated if the Board had objections he wouldn't proceed. Mr. Jones stated they remove all duplicates and don't share the lists between organizations.

Mr. Tucker reminded the Board that CEDC had submitted and received an award for a goat study in the amount of \$35,000. He stated the County had submitted and been awarded a CFA application for \$75,000 for a goat genetic research center. CEDC had contracted to do the administration for the County which required a match of \$75,000. He noted the Board was unwilling to provide the \$75,000 match required by this grant, and he felt it was not possible to provide \$75,000 of in kind services. He stated the study had been redesigned into a \$90,000 study with a \$45,000 match consisting of \$20,000 from a private foundation, \$15,000 cash (provided by CEDC) and \$10,000 in kind services. He noted this was contingent upon revision and approval by Empire State Development Corporation. Mr. Tucker stated the County was interested in sustaining the \$4.5 million Hudson Valley Creamery investment. He noted the investment was based on manufacturing cheese from fresh milk. He asked for a Board vote on the proposal.

Ms. Sterling stated it was an important study, noting the growing importance of goat's milk and cheese. Mr. Tucker noted the company had been awarded Excelsior tax credits and a CDBG grant of \$500,000. He stated the CDBG application was granted to Columbia County and CEDC was the sub-recipient and responsible for the grant administration.

Mr. Champion asked if Cornell Cooperation was involved in the project. Mr. Tucker stated they were peripherally involved, noting the company had been focused on the building purchase. *Mr. Stair made a motion, seconded by Ms. Sterling to approve the goat genetic research grant proposed revision as outlined with a \$15,000 cash match from CEDC and \$10,000 in kind contribution. Carried.*

Mr. Tucker stated he had had Omnis Computers do a review of the CEDC computer system. He noted they had found that the current server was fine as was the router. The broadband access was found to be sufficient, but the computer processors were outdated. Omnis had given a quote in the amount of \$8,400 with installation included. He stated he would obtain 2 or 3 other quotes that included software. Mr. Fingar asked if the expense had been included in the budget. Mr. Tucker stated it had not been, and stated cash reserves would be used for the purchase. *Mr. Fingar made a motion seconded by Mr. Bianchi to spend up to \$10,000 on computers including installation and appropriate software. Carried.*

Mr. Tucker stated he continued to move forward on the Architectural Cast Stone project, Project Bourbon and the apartment/hotel complex. He noted he was working on a new project, seeking a 30 acre parcel containing water, sewer and rail. He stated Mr. Stiffler had identified sites for the project.

Committee Reports:

Executive Committee:

Mr. Jones stated there had been no Executive Committee meeting.

Governance and Nominating Committee Report:

Mr. Campion stated the committee had met on July 21 and had interviewed Jim Calvin for a CEDC board seat. He outlined his background and stated the Committee had recommended he be considered by the CEDC board for election to a Board seat. *Mr. Fingar made a motion, seconded by Mr. Lee to elected Mr. Calvin to fill a CEDC Board seat. Carried. Mr. Bianchi abstained from the vote due to an ongoing working relationship with Mr. Calvin.*

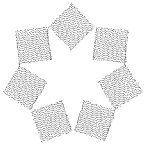
Loan Committee:

Ms. Lane referred the Board's attention to the SBA loan resolution contained in the meeting packet. She stated the proposed loan was in the amount of \$300,000 and would be a 10 year note with zero percent interest until the 13th month of the loan. Mr. Lapenn asked why the loan was being recommended. Ms. Lane stated the SBA funds were low and the associated technical assistance funds would help fund staff salaries. *Mr. Lee made a motion, seconded by Mr. Lapenn to approve the acceptance of the \$300,000 SBA loan and to authorize the officers to execute the resolution. Carried.*

Ms. Lane stated the Loan Committee had recommended the remaining balance of the Pete's Gone Fishin' loan be written off. She stated the amount was \$3,450.16 represented the difference between the loan amount and the payment on the equipment by the new owner. She stated Mr. Howard had negotiated the payment with the new owner. *Mr. Stair made a motion, seconded by Mr. Bianchi to write off the \$3450.16 remaining on the Pete's Gone Fishin' loan. Carried.*

Ms. Lane stated the East Chatham Food Co. located in the former Cottage Restaurant had requested a total of \$35,000 in funding. She stated \$20,000 would be funded through the SBA loan fund and \$15,000 would be funded from the CEDC funds. She informed the Board the interest rate would be 7.25% for a 60 month term. Funds would be used to provide working capital, purchase kitchen equipment, POS system, glassware, stainless and opening inventory. Mr. Fingar asked for an outline of the collateral. Ms. Lane stated the collateral would consist of all business assets and each of the principals would be required to sign a personal guarantee. *Mr. Fingar made a motion, seconded by Mr. Stair to approve the loan to East Chatham Food Co. as outlined. Carried.*

Ms. Lane informed the Board that the principal of the Vanderbilt House had declared personal bankruptcy. She stated CEDC had not received a payment in over 90 days and the SBA required the loan be written off once it reached 120 days delinquent. She reminded the Board the original loan amounts on both the SBA and the CEDC loans had been \$25,000. She stated the balance



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remaining on each was approximately \$23,000. She stated Mr. Howard had been in touch with the attorney for the borrower. She stated if no payment had been received, the Loan Committee would recommend writing the balance off to the Board in time for the August meeting.

Mr. Tucker reminded the Board of the reserve amount which had been informally designated earlier in the year. He stated that amount would be used to reimburse the SBA loan account and to insure the loan loss reserve account had the required 15% of outstanding loans. He noted in the past the funds had been taken from the CEDC operating account. He stated he would report on the status of the reserve account at the next meeting. Mr. Tucker stated the Loan Committee would do an analysis of the Vanderbilt loan at their next meeting.

Audit and Finance:

Mr. Bianchi stated the committee had met with Matt Vanderbeck and reviewed potential risks to CEDC. He informed the board that Mr. Vanderbeck had summarized the procedural items he felt were already in place and had left blank space that CEDC needed to insert. Mr. Bianchi stated there was one area which required attention. He noted the SBA program needed to have more documentation. The remainder of the needed items consisted of policies and procedures. Mr. Tucker stated some of the areas could be eliminated. Mr. Bianchi felt it was a good exercise for the corporation.

Minutes:

Mr. Lapenn made a motion, seconded by Ms. Sterling to approve the minutes from June 28, 2016. Carried.

Treasurer's Report:

Mr. Tucker reviewed the CEDC Operating Fund Balance Sheet Previous Year Comparison, noting there was no significant change. Reviewing the Operating Fund Profit and Loss Previous Year Comparison, he stated he anticipated additional income from memberships and sponsorships.

Mr. Tucker stated the transition to accrual basis accounting was ongoing. He noted some testing had been performed on the new system. During testing it had been found that some of the prior year accounts had been deleted and needed to be added back in order to provide an accurate comparison to the prior year. He stated software has been upgraded and check scanners would be ordered soon. Mr. Jones indicated the work to improve the readability and transparency of the financials should be completed by the end of the third quarter.

Mr. Lapenn made a motion, seconded by Ms. Sterling to approve the Treasurer's Report as presented. Carried.

Membership:

Carol Wilber informed the Board that the current number of members totaled 52 with a total contribution of \$40,850. She stated the membership goal was \$75,000. She informed the Board she had followed up on all leads received at the June 28th Board meeting. She thanked the Board for their assistance stating their recommendation making the initial contact easier for her and the prospective member. She informed the Board there was a lead sheet included in the meeting packet and asked that they list one new contact.

Ms. Wilber informed the Board she began the first round of business retention visits the previous week, focusing on larger employers. She reported she had visited Herrington's, Schweitzer Maudit, Sonoco Plastics, Romanoff Products Inc. and Pretium. She had each business complete a questionnaire. She stated each of the businesses had cited a lack of skilled and available workforce in the County. She noted that she had discussed the strategic plan with the businesses and stated each of the businesses would be interested in participating in focus groups discussing workforce development. She noted the non-confidential information gathered would be entered into a data base that was currently being developed.

Public Comment:

Having no other business to discuss and no public comments, a motion to adjourn was made by Mr. Bianchi, seconded by Mr. Stair. Carried. The meeting was adjourned at 9:48 a.m.

Respectfully submitted by Lisa Drahushuk