



Choose Columbia

Columbia Economic Development Corporation

MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
Tuesday, October 31, 2017
4303 Route 9
Hudson, NY 12534

A regularly scheduled meeting of the Columbia Economic Development Corporation (CEDC) Board of Directors was held at their offices located at 4303 Route 9, Hudson, NY 12534 on October 31, 2017. The meeting was called to order at 8:37 a.m. by Tony Jones, Chair.

Attendee Name	Title	Status	Arrived
Russell Bartolotta	Board Member	Excused	
Rick Bianchi	Treasurer	Excused	
Jim Calvin	Board Member	Present	Arrived 8:46am, Departed 10:11am
Jim Campion	Board Member – Ex Officio	Present	
David Fingar	Vice-Chairman	Present	
Tish Finnegan	Board Member	Present	Departed 10:16am
Triona Fritsch	Board Member	Excused	
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	Excused	
Michael Polemis	Board Member	Present	
Robert Sherwood	Board Member	Present	
Colin Stair	Board Member	Present	
Sarah Sterling	Secretary	Present	
Maria Suttmeier	Board Member	Present	
Andy Howard	CEDC Attorney	Present	
F. Michael Tucker	President/CEO	Present	
Brandon Dory	Project Manager	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Present	
Ed Stiffler	Economic Developer	Present	
Carol Wilber	Marketing Director	Present	Departed 10:13am
Tom Rossi	41 Cross Street Hospitality, LLC	Present	

Chairman's Report:

Mr. Jones gave the Board a status report on the County Broadband Committee, noting no action is anticipated until after the first of the year. He noted the County focus in 2018 would be on affordable

housing. The County Economic Development Committee had requested CEDC do project facilitation work on the project. He noted the Economic Development Committee had approved CEDC funding for 2018 and it would be included in the 2018 County budget. Mr. Jones announced CEDC would be hosting an Arts, Culture & Tourism Forum on December 8th from 8:00am to 10:00am at the Hudson Opera House.

Mr. Jones gave an overview of the Downtown Revitalization Initiative to the Board, noting the Local Planning Committee had held their first meeting on October 19th led by co-chairs Matt Nelson and Tiffany Martin Hamilton. He informed the Board both he and Colin Stair had been appointed to serve on the Committee. The first public meeting held October 26th had been a well-attended workshop session. Mr. Jones informed the Board a single blog would be created providing information on the DRI process. He stated NYS has been adamant about adhering to the five-month timeframe for the planning process resulting in approved projects that reflect the wants of the community.

Mr. Stair expressed concern that the majority of the attendees misunderstood the use of DRI funds. He felt a great number of the public meeting attendees believed the DRI would provide funding for affordable housing. He felt it was vital that the issue be addressed quickly in a clear manner in light of the short timeframe. Mr. Jones felt the misunderstanding originated from the fact the DRI could trigger affordable housing resources provided by NYS. Mr. Jones stated pairing affordable housing and the DRI should get the area the attention from New York State required for funding.

Minutes:

Mr. Calvin made a motion, seconded by Ms. Finnegan to approve the minutes from August 29 and October 11, 2017 as presented. Carried.

Treasurer's Report:

Mr. Tucker stated the balance sheet showed assets were up 2%, with equity up approximately 2.8% compared to the previous year. He noted the profit and loss statement shows income over budget by \$4,000, while expenses are below budget by \$11,000. *Mr. Lapenn made a motion, seconded by Ms. Suttmeier to approve the Treasurer's Report as presented. Carried.*

President/CEO Report:

Mr. Tucker stated the County had charged CEDC with several new responsibilities. The County had asked CEDC administer their PACE (Property-Assessed Clean Energy) loan fund. He stated the Board of Supervisors would bring this to their November meeting for consideration. They anticipate 2 to 3 loans per year.

Mr. Tucker stated CEDC would begin submitting resolutions to Board of Supervisors committees, for timely consideration. Additionally, Mr. Tucker will begin discovering how the County Planning Department participates with census activities in order to ensure an accurate count. He informed the Board he had discussed the task with Don Meltz who had assisted with the Broadband mapping project. Mr. Meltz anticipated the cost to total approximately \$5,000.

Mr. Tucker stated CEDC is currently working with Hawthorne Valley, The Sylvia Center and the school districts on a Farm to Table grant application due on November 3rd. CEDC will be the grant applicant. The grant will request funding for a program coordinator to design the program. CEDC was awarded \$12,500 by the Greenway for a feasibility study extending a trail from Oakdale in the City of Hudson to Philmont where it will join the Empire Trail.



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Mr. Tucker stated CEDC participated in the CREDC Progress report and the CFA presentation. He noted he would be meeting with the consultant hired to update the CEDC website. He stated he anticipated the website to be live by mid-November. He noted he had numerous meetings with hoteliers and a few with high end guest destination resorts and potential distillers. He had arranged a meeting between a Commerce Park business and the Columbia County Fire Coordinator in order to discuss the potential issues with the proposed fire training facility at the Commerce Park. Mr. Tucker stated he continued to work with The Wick and Architectural Cast Stone. He noted Hudson Valley Creamery's parent corporation had approved their proposed expansion project.

City of Hudson IDA Contract:

Mr. Tucker stated the City of Hudson Industrial Development Agency at their last meeting had approved an extension of the contract with CEDC extending to the end of 2018. He stated the contract was for \$10,000 base with an additional 10% of the HIDA project fees. He stated he anticipated projects due to the DRI activity. *Mr. Calvin made a motion, seconded by Mr. Fingar to approve the HIDA/CEDC contract as presented. Carried.*

Committee Reports:

Mr. Jones noted the Executive, Governance and Nominating, and Workforce and Education Committees had not met in the past month.

Audit and Finance Committee:

Mr. Jones noted the Committee met and recommended the 2018 budget to the full board. The Committee had approved taking an administrative fee from the loan income and using in either the reserve accounts or the loan fund, with an eye toward making the loan funds self-sustaining. He noted in past years, the loan income had been used for operations.

Mr. Tucker presented the 2018 budget to the board. *Mr. Lapenn made a motion, seconded by Mr. Stair to approve the budget with one correction to office expenses. Carried.*

Loan Committee:

Portfolio Review:

He noted that Nancyscans and Paul Calcagno continued to remain 2 months past due and the Hudson River Laundress was one month behind in payments. He noted the SBA audit went well. Mr. Polemis asked if the Federal budget would have any impact on the SBA. Mr. Tucker stated that at this point it was impossible to tell. *Mr. Stair made a motion, seconded by Mr. Polemis to approve the portfolio review as presented. Carried.*

Hudson Development Corporation:

Ms. Lane stated the loan request was for \$95,000 to be used for the purchase and associated closing costs of the CSX property in front of the former Kaz buildings. The purchase would allow access to the former Kaz properties from Front Street. Ms. Lane noted the assessment totaled \$85,000 the proposed interest rate was 5%. The term proposed was 24 month interest only payments with a balloon

payment. If the property remained unsold by the end of the term, the loan would be amortized over 5 years at 5% interest. Collateral would be first mortgages on the former Kaz property and the CSX property.

Mr. Tucker stated collateral was sufficient to cover the loans. Mr. Lapenn asked if the building had any environmental issues. Mr. Howard informed the board if HDC defaulted on the loan, CEDC could sue on the note without liability for the environmental issues. Mr. Fingar asked if an environmental review could be done prior to closing. Mr. Tucker stated Kaz contained asbestos, but he had no information on the CSX property. Mr. Stair asked Ms. Lane to provide the list of HDC owned properties with the board. He expressed his preference for a more thorough review of the property and the request.

The Board requested Mr. Tucker contact the appropriate persons for the following questions:

- Specific reason the City of Hudson won't finance the purchase
- Determination of the environmental issues on both parcels of property
- Specific security including additional owned property and cash flow

Mr. Tucker stated he would provide a memo to the board regarding the questions. *Mr. Fingar made a motion, seconded by Mr. Stair to table the loan until the November meeting. Carried.*

The Wick (41 Cross Street Hospitality, LLC.):

Ms. Lane stated the request was for \$75,000 to be used to cover the cost of demolition and abatement of a 19,000 square foot portion of the former Kaz building. The interest rate proposed was 5%. The term was interest only payments for 18 months followed by 7 years of fully amortized payments. Collateral consists of the personal guaranty of all owners with at least 20% ownership.

Mr. Tucker noted a portion of the former Kaz building once removed would clean up the entryway into the hotel. He noted that 41 Cross Street has a contract with an environmental construction company to demolish the 19,000 square foot portion of the building impacting the hotel. He noted there would be no reimbursement for the expended funds. Mr. Tucker stated Pioneer Bank had agreed to offer a waiver on the loan to allow the demolition to proceed.

Mr. Stair suggested a better solution would be to remove the entire building. Mr. Tucker stated that could require an additional year and would put the flag hotel at risk. Mr. Rossi, representing 41 Cross Street Hospitality LLC, stated the construction work around the hotel was ongoing and felt the impact of the demolition would be minimized. He noted Montgomery Street had already been impacted by the activity. Mr. Rossi stated it was a business decision to request the loan allowing for payment out of future hotel cash flow.

Ms. Sterling made a motion, seconded by Ms. Finnegan to approve the loan as recommended by the Loan Committee. Carried, with Mr. Fingar recusing himself due to the hotel being a client of his employer and Mr. Stair in opposition.

Mr. Jones noted he anticipated bringing two Board member candidates to the next board meeting for approval by the members.

Other Business:

Having no other business to discuss and no public comments, a motion to adjourn was made by Mr. Lee seconded by Mr. Stair. Carried. The meeting was adjourned at 10:19 a.m.

Respectfully submitted by Lisa Draushuk