



# Choose Columbia

Columbia Economic Development Corporation

## MINUTES COLUMBIA ECONOMIC DEVELOPMENT CORPORATION

Tuesday, July 31, 2018

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 July 31, 2018. The meeting was called to order at 8:30 a.m. by Tony Jones, Chair.

Attendee Name	Title	Status	Arrived
Ruth Adams	Board Member	Excused	
Russell Bartolotta	Board Member	Excused	
Rick Bianchi	Treasurer	Present	
Jim Calvin	Board Member	Excused	
Jim Champion	Board Member – Ex Officio	Present	
David Fingar	Vice-Chairman	Excused	
Tish Finnegan	Board Member	Present	
Triona Fritsch	Board Member	Excused	
Tony Jones	Chairman	Present	
James Lapenn	Board Member	Present	
John Lee	Board Member	Present	
Carmine Pierro	Board Member – Ex Officio	Present	
Michael Polemis	Board Member	Present	
John Reilly	Board Member – Ex Officio	Excused	
Robert Sherwood	Board Member	Excused	
Gary Spielmann	Board Member	Present	
Colin Stair	Board Member	Present	8:43am
Sarah Sterling	Secretary	Present	
Brian Stickle	Board Member	Present	
Maria Suttmeier	Board Member	Excused	
Andy Howard	CEDC Attorney	Present	
F. Michael Tucker	President/CEO	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	
Patti Matheny	Town of Ghent, Board Member	Present	
Linda Mussmann	Supervisor, City of Hudson 4 <sup>th</sup> Ward	Present	
Koethi Zan	Town of Ghent Zoning Board of Appeals	Present	

**Chairman's Report:**

Mr. Jones welcomed Brian Stickles to the Board. Mr. Jones noted Art Omi was hosting the Upstate Alliance for the Creative Economy's, August's mixer. Mr. Tucker handed out a flyer with the information to the attendees. Mr. Jones informed the Board that construction of the new roundabout to be located at the Columbia County's entrance to the Rip Van Winkle Bridge would begin soon, noting the planned completion was fall of this year.

Mr. Jones noted the CFA application deadline was last week. He stated CEDC had submitted 19 letters in support of projects. He noted those projects included; Harlem Valley Rail Trail; Art Omi; the Columbia County sewer project; Basilica Hudson; Catamount, Columbia Memorial Health, Olana the Village of Chatham and New Lebanon Main Street. He referenced the increase in activity level and funding flowing to Columbia County, resulting in increased visibility.

Mr. Jones stated he had attended the Columbia County Board of Supervisors Economic Development Committee meeting, which has transitioned the focus from broadband to housing. He noted the issue of short term rentals was discussed and would continue to be followed. Mr. Jones noted there had been a kerfuffle at the meeting regarding Mr. Tucker taking over the Hudson Development Corporation. He noted CEDC's willingness to provide administrative support to HDC but said it was unclear at present.

Mr. Jones noted there were currently 19 distilleries, vineyards and other affiliated businesses currently underway or operating in Columbia County. Mr. Jones announced that the fall Microbusiness Seminar Series had been scheduled for September 18<sup>th</sup> to November 13<sup>th</sup>.

**Minutes:**

*Mr. Spielmann made a motion, seconded by Mr. Lapenn to approve the June 26, 2018 minutes as presented. Carried.*

**Treasurer's Report:**

Mr. Tucker informed the Board the Audit and Finance Committee had reviewed a full detail of the version of the financials presented to the full board. He stated total assets were \$3.17 million, cash was \$98,000 below last year's level, but other current assets totaled \$50,000 over the previous year. He noted the balance sheet was strong, stating there were two land sale receivables totaling \$28,000.

Turning to the profit and loss budget vs actual total income, he noted the variance was \$6,700 from budget. He explained he had budgeted for one City of Hudson Industrial Development Agency project for 2018 which had not materialized, causing the variance. On the expense side, he reminded the board his contract increase was approved after the budget had been adopted, causing a difference in the TSI consulting fees line. He noted consulting fees were over budget due to the use of a grad student for the job fair, Don Meltz for the various mapping projects as well as the use of Laberge for the Hudson Valley Creamery pre-application submission. He stated the Laberge expense would be recouped through administrative fees if the grant was awarded.

Mr. Tucker informed the Board, the bulk of direct program expenses consisted of annual meeting expenses including the cost for increased attendance and the Siena College study. He stated the New Initiatives line consisted mainly of job fair expenses, the contribution to the YES program and the goat study expenses. He anticipated the NYS reimbursement would balance the budget line. Mr. Tucker



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addressed the profit and loss by class. He noted the \$50,000 loss in the operating account was partially offset by the \$16,000 income in the Loan Fund.

Mr. Tucker congratulated Ms. Lane on obtaining a \$96,000 technical assistance grant from the SBA. He stated this was an increase over the prior year's \$70,000 and had been based on an audit and review of the loan program as well as information she had provided. *Mr. Polemis made a motion, seconded by Mr. Spielmann to approve the presented Treasurer's Report. Carried.*

## **Portfolio Review:**

Mr. Tucker addressed the loan status report. He noted CEDC had nearly \$1.3 million to lend, with \$1.1 million in outstanding loans. He noted the CEDC loan fund had two loans delinquent in payments and the SBA portfolio had none. The board began a discussion about competitive interest rates for CEDC funds, which was referred to the Loan Committee for further discussion and recommendation. *Mr. Lapenn made a motion, seconded by Mr. Polemis to approve the Portfolio Review as presented. Carried.*

## **President/CEO Report:**

Mr. Tucker stated Ms. Wilber had drafted support letters for the CFA projects and he had provided guidance and resources to the applicants. He noted that not all potential projects had completed the process. Mr. Tucker stated a great deal of staff time had been devoted to the CFA's.

He informed the Board that he was obtaining signatures on the documents for Energize NY. He stated the Goat Study was in the final stages, anticipating it would be completed in several weeks. He announced the project would include a public website with access to the gathered data. He stated the Hudson Valley Creamery expansion plans had increased in scope and cost. He noted the G-Tel project was moving forward and Premier Brands was exploring the possibility of an expansion.

Mr. Tucker stated the RFP for the Rail Trail grant had been distributed, noting the purpose was to identify how to connect Oakdale, in the City of Hudson to the Harlem Valley Rail Trail in Philmont. He stated the County had submitted two applications for their sewer project, one through Department of Environmental Conservation and one through Empire State Development. He noted he was addressing inquiries from the Supervisors of Germantown, Copake and Hillsdale; Drumlin Fields. He stated the City of Hudson was investigating the designation of an Opportunity Zone.

Mr. Tucker stated he was working on Workforce and Education Committee's job fair, the YES program, as well as with the Berkshire Taconic Foundation's grant for the Leadership program. He noted this had been pushed back to October due to the difficulties in getting attendees during the summer. He showed the attendees a map regarding the Charter/TimeWarner coverage in Columbia County. He stated The NYS Public Service Commission had voted to revoke Charter's license if they didn't turn over their operations in New York State to another provider.

**Default Mortgage Review:****DNJ Properties LLC (Ginsberg Project):**

Mr. Tucker gave the background of the parcel of property, noting the County had purchased the property and intended it be used similarly to the Commerce Park. He noted it had been sold to Ginsberg for \$1 in consideration of the development of a warehouse. The contract included a penalty mortgage that allowed 3 years for the development of the project. If the deadline was not met, DNJ Properties LLC would be required to pay \$280,000 plus 7% interest for a total of \$340,000 to CEDC. The Board had asked Mr. Tucker to do his due diligence regarding the property, its value and potential.

Mr. Tucker stated the Executive Committee had met to discuss the situation. He stated maps had been produced showing the parcel of land and the surrounding area, the environmental constraints and the wetlands. He noted the presence of DEC and Army Corp mitigated wetlands limited the options of the property. He stated an updated appraisal had been completed showing the value of the property at \$330,000.

Mr. Tucker stated CEDC had three options: The property could be marketed for resale, developed similarly to the Commerce Park, or the property could be held for future development. He referred to the engineering report which addressed the cost of improvements. Mr. Jones stated the Executive Committee recommended action be taken on the mortgage and if no payment had been received by August 11<sup>th</sup> a demand letter be issued. *Mr. Spielmann made a motion authorizing Mr. Howard, CEDC Attorney to issue a demand letter if no payment is received by the date outlined in the executed contract. Mr. Stair seconded the motion. Carried.*

**Paul Harpis:**

Mr. Tucker stated no work had been done on this site, which was subject to a penalty mortgage. He stated under the terms of this agreement there was a two year window for buildout with a \$45,000 penalty if no buildout occurred. Mr. Stiffler stated historically no extension was given on the penalties for the Commerce Park lots. Mr. Howard stated he was aware of one property taken back by CEDC. Mr. Tucker stated he would be meeting with the Mr. Harpis tomorrow. He suggested giving him 30 days to pay the penalty.

**Committee Reports:**

Mr. Jones noted the Governance and Nominating Committee had not been scheduled to meet, the Executive Committee meeting had been discussed earlier and the Loan Committee had no business to address in July.

**Audit and Finance:**

Mr. Bianchi stated the Committee had reviewed the detailed financials, reviewed a report on the loans and grants and approved their charter.

Mr. Jones asked if there was any public comment. *Having no other business to discuss and no public comments, a motion to adjourn was made by Mr. Spielmann seconded by Mr. Polemis. Carried.* The meeting adjourned at 9:37 a.m.

*Respectfully submitted by Lisa Draushuk*