



Choose Columbia

Columbia Economic Development Corporation

MINUTES COLUMBIA ECONOMIC DEVELOPMENT CORPORATION

Executive Committee
Wednesday, July 18, 2018
4303 Route 9
Hudson, NY 12534

A regularly scheduled meeting of the Columbia Economic Development Corporation (CEDC) Executive Committee held at their offices located at 4303 Route 9, Hudson, NY 12534 on July 18, 2018. The meeting was called to order at 9:38am by Tony Jones, Chair.

Attendee Name	Title	Status	Arrived
Tony Jones	Chair	Present	
David Fingar	Vice-Chair	Present	
Richard Bianchi	Treasurer	Present	
Sarah Sterling	Secretary	Present	
James Calvin	Board Member	Present	
Gary Spielmann	Board Member	Excused	
Colin Stair	Board Member	Present	
Andy Howard	CEDC Counsel	Present	
F. Michael Tucker	President/CEO	Present	
Patti Matheney	Board Member, Town of Ghent	Present	
Linda Mussmann	Supervisor, City of Hudson	Present	
Koethi Zan	Town of Ghent Zoning Board of Appeals	Present	
Lisa Draushuk	Administrative Supervisor	Present	
Martha Lane	Business Development Specialist	Present	
Erin McNary	Bookkeeper	Excused	
Ed Stiffler	Economic Developer	Present	
Carol Wilber	Marketing Director	Present	

Minutes:

Mr. Calvin made a motion, seconded by Mr. Stair to approve the minutes of the June 20, 2018 meeting. Carried.

Default Mortgage Review

DNJ Properties, LLC (Ginsberg Project):

Mr. Tucker reminded the Committee at the June 26, 2018 full board meeting, he had been directed to provide more information to the full board allowing for an informed decision relating to the CEDC note and mortgage with DNJ Properties, LLC in connection with the Ginsberg Project. Mr. Tucker reviewed the project with the Committee, noting that the note and mortgage included an event of

default provision if construction of the project is not completed by August 12, 2018. Once in default, DNJ Properties, LLC would be responsible to pay CEDC the original value of the property (\$280,000) as well as 7% interest for three years. The total payment would be \$340,000. He reminded the Committee that CEDC had paid Columbia County \$114,000 for the property in 2015.

Mr. Howard reviewed the legal process for the Committee. He stated on August 11th, 2018, the Company would be considered in default and a demand letter for payment of the \$340,000 would be sent, requesting payment. If the company paid, CEDC would have no further involvement with the property other than to provide assistance in connection with a future development project. Hypothetically, if DNJ Properties, LLC failed to make payments as provided in the documents, CEDC would commence a foreclosure proceeding and the property would be offered at public auction. Unless out bid, CEDC would bid the full amount due and owing, including attorney and other costs incurred through the process and take back possession of the property.

He noted the appraisal value would determine if CEDC would be entitled to a deficiency judgement filing. If the appraisal was over the amount due on the property, no judgement would be filed. If the value was under the amount due, a deficiency judgement would be filed.

Mr. Tucker stated CEDC had 3 options in regards to the property if CEDC ended up with the property after a foreclosure sale. He stated CEDC could market the property for resale, or develop it similarly to the Commerce Park, or CEDC could hold the property for future development. He directed the Committee's attention to the five maps depicting different overlays of the property: topography, easements, wetlands, a wider view of the surrounding area, and environmental and FAA constraints.

Mr. Stiffler explained the property was bordered on the east by New York State Department of Environmental Conservation (DEC) and Army Corp mitigated wetlands, precluding development on that piece of property. DEC designated wetlands form the western border. He informed the Committee that DEC imposes a 100 foot buffer area around the wetlands. If the wetlands are disturbed, they must be re-created over double the area that was disturbed.

Mr. Jones stated the full board would be asked to vote on this issue at the July 31st meeting. The Committee agreed that they would recommend to the full board that CEDC proceed with a demand letter based on the provisions contained in the note and mortgage.

Mr. Bianchi suggested that public perception would be important. Ms. Sterling suggested that the sale agreements be posted on the website.

**Commerce Park Properties:
Hudson River Valley Holdings, LLC
Paul Harpis:**

Mr. Stiffler stated the businesses had purchased and paid for their properties, but had not yet built on those properties. He noted they all had a penalty clause in their contracts. Mr. Howard explained that the owners had the option of paying the penalty or CEDC could foreclose. Mr. Tucker asked Mr. Howard to contact Mr. Harpis and then proceed with the demand letters, if necessary.

With no further business, Mr. Fingar made a motion to adjourn the meeting, seconded by Mr. Bianchi. Carried. The meeting adjourned at 10:45am.