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Columbia Economic Development Corporation

MINUTES
COLUMBIA ECONOMIC DEVELOPMENT CORPORATION
Tuesday, May 21, 2019
4303 Route 9
Hudson, NY 12534

A regularly scheduled meeting of the Columbia Economic Development Corporation (CEDC) Board of Directors was held at 4303 Route 9, Hudson, NY 12534 on May 21, 2019. The meeting was called to order at 8:31 a.m. by David Fingar, Chair.

Attendee Name	Title	Status	Arrived/ Departed
Ruth Adams	Board Member	Present	
Russell Bartolotta	Board Member	Excused	
Rick Bianchi	Treasurer	Present	
Jim Calvin	Vice-Chair	Present	
Jim Campion	Board Member – Ex Officio	Present	
Rick Cummings	Board Member	Present	
David Fingar	Chair	Present	
Tish Finnegan	Board Member	Present	
Derek Grout	Board Member	Present	
James Lapenn	Board Member	Present	
John Lee	Board Member	Excused	
Carmine Pierro	Board Member – Ex Officio	Excused	
Seth Rapport	Board Member	Excused	
Richard Scalera	Board Member – Ex Officio	Present	
Robert Sherwood	Board Member	Excused	
Gary Spielmann	Board Member	Excused	
Sarah Sterling	Secretary	Present	
Brian Stickles	Board Member	Present	
Maria Suttmeier	Board Member	Excused	
Andy Howard	CEDC Attorney	Present	
F. Michael Tucker	President/CEO	Present	
Lisa Drahushuk	Administrative Supervisor	Present	
Kayla Duntz	CEDC Intern	Present	
Martha Lane	Business Development Specialist	Present	Recused 8:59am Returned 9:38am
Erin McNary	Bookkeeper	Present	
Ed Stiffler	Economic Developer	Present	
Carol Wilber	Marketing Director	Present	
Stephanie Sussman	Resident	Present	

Minutes:

Mr. Calvin made a motion, seconded by Mr. Lapenn to approve the April 23, 2019 minutes as presented. Carried.

Treasurer's Report:

Mr. Tucker reviewed the balance sheet and the profit and loss. *Mr. Lapenn made a motion, seconded by Ms. Finnegan to approve the Treasurer's Report as presented. Carried.*

President's Report:

Mr. Tucker stated the annual meeting was very successful, crediting Ms. Wilber for the event. He noted The Columbia Paper had made the meeting the subject of its weekly editorial. The editorial suggested CEDC address sustainability and diversity.

Mr. Tucker informed the Board he would be attending the CFA informational meeting at Columbia-Greene Community College after the meeting. That would be followed by a meeting with local businesses and Empire State Development at the Wick Hotel. Mr. Tucker handed out an overview of the New York State Workforce Development Initiative to the Board. Projects would be accepted on a continual basis.

Mr. Tucker stated he had attended the County Economic Development Committee the previous night. The Committee discussed housing, broadband and land banks. He informed the Committee of the potential HDC loan as well as the former Lone Star property project.

Mr. Tucker informed the Board that he and Mr. Fingar had been investigating office space at Hudson City Centre on the third floor and was awaiting numbers from the owner.

Membership Update:

Ms. Wilber stated memberships received for the period January – May, totaled \$29,850. Deferred membership totaled \$14,516.92 and sponsorships totaled \$13,950. She noted an additional \$26,000 would need to be received to reach the goal of \$85,000. She stated memberships would continue to be promoted during the summer's business visitations and could be obtained with the assistance of a fall event.

Committee Reports:**Audit and Finance Committee:****Executive Committee:**

None of the above committees had met during the previous month.

Loan Committee:**Dirtworx:**

Ms. Lane stated the Loan Committee had approved a \$17,000 SBA microloan to Dirtworx. She stated the company had a previous loan with CEDC and had paid that loan off. She noted the \$17,000 SBA loan was to purchase a plow truck and pay off a lawn mower. Collateral would consist of the truck and personal guarantee. Interest rate would be 7.25% with a term of 60 months.

Germantown Beer Farm Ltd.

Ms. Lane presented the request from Germantown Beer Farm Ltd. for \$30,000 from each of the CEDC and the SBA loan funds. The interest rate was 7.00% on the SBA loan and 5.00% on the CEDC loan, with each loan having a 72 month term. Funds would be used for the purchase of



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materials, equipment and supplies to expand operations as well as working capital. Collateral would consist of a lien on all business assets of Germantown Beer Farm (with the exception of John Deere equipment) and a personal guarantee of the principals. She noted the Loan Committee had recommended the loan for approval by the full board. *Mr. Calvin made a motion, seconded by Mr. Grout to approve the loan as presented. Carried.*

Hudson Development Corporation (HDC):

Ms. Lane recused herself from the meeting due to her conflict as a board member of HDC. Mr. Tucker gave the history of the request. He reminded the Board, CEDC had approved a loan to 41 Cross Street (Wick Hotel) for the demolition of the former Kaz building owned by HDC. Marriot had required the building demolition as a condition of their agreement with The Wick. In the fall of 2017, HDC approached Mr. Tucker for a loan in the amount of \$95,000 for the purchase of the CSX property. The request was approved by the Loan Committee and full board. Due to internal issues, HDC had asked that the loan be put off to a future date. HDC again submitted a request in April of 2019, this request was for \$125,000. The request had been approved with the following conditions: a reserve account containing 1 year of interest only payments; a first mortgage on the CSX and the Kaz properties until the loan is paid in full; resolution of the title concern and the reservation of \$95,000 for the purchase of the property.

Mr. Tucker noted the property was seen as key to the success of The Wick and the Red Barn properties. He stated the loan committee recommendation in April had been tabled when it became evident from conversations with Mr. Rasner, Chairman of the HDC Board, other bids for the property had been received by CSX. CSX had contacted HDC, submitting to them a signed contract for sale of the property at a cost of \$175,000. He stated HDC was now asking for \$200,000. He stated the Loan Committee had recommended the loan to the full board as follows: Three year, 5% interest only, \$200,000 loan with a balloon payment, with the following conditions: holding twelve months of interest only payments in a debt reserve account; holding a first mortgage on the CSX and the Kaz properties until the loan is paid in full; resolve the title concern with the CSX property; reserve \$175,000 for the purchase of the property.

Mr. Tucker stated he preferred changing the Loan Committee's recommendation to a 2 year term as opposed to 3 years, expressing concern with HDC's ability to continue movement on the project. He expressed concern with the possibility of the potential reallocation of DRI money.

Mr. Rasner noted HDC had a signed contract for the land in hand, only awaiting the HDC Board approval on the contract and the CEDC approval of the loan. He noted when he took the office of Chairman of the HDC, his goal was the re-building of the HDC Board, which had been completed. He stated HDC had no staff, which allowed the Board to become acquainted with the daily working and requirements of the corporation. He stated the CSX parcel was vital to developing the Kaz parcel, noting it provided frontage, the parcel lacked. He stated during a financial brainstorming

moment he had mentioned boat storage would be a good use for the property as well as an income generator for HDC. He noted there was never an intention of using the site for long-term storage. He stated he had understood from the Loan Committee's three year time frame, they wished HDC to maintain movement on the project and HDC was agreeable, but he was unsure if 2 years would allow sufficient time.

Mr. Lapenn thanked Mr. Rasner for addressing the Board and staff issues. He asked Mr. Rasner to address HDC's financial statement and the issue of limited revenues. Mr. Rasner stated a comment from a previous Board member suggesting HDC dissolve caused an upheaval. He noted that option was not being considered. He stated the loss of HDC staff had been an opportunity for the board to re-focus. He noted with the purchase of the CSX parcel, HDC would inherit a lease on the property. He noted the two other bidders might consider purchasing the property from HDC. He noted that HDC would be cautious in proceeding to prevent blocking access to either of the two parcels. Mr. Rasner noted the HDC balance sheet was weak, and the 2019 budget he had challenged, noting it contained unrealistic numbers. Mr. Scalera, noting as an ex-officio he was unable to vote, but stated he would support the loan request if able. He noted it was risky but felt it was imperative to move forward. He stated 2 years was not a sufficient term for the HDC loan.

Mr. Lapenn asked what the title issue concerned. Mr. Rasner stated it should be resolved during the title search process. Mr. Bianchi stated Mr. Rasner's clarifications were helpful, noting the balloon could be paid off upon sale of the property. Mr. Rasner stated the 3 year term would allow time for vetting the buyer and assisting them through the process, noting additionally the monthly payment was sustainable for HDC. Mr. Tucker stated at the end of the 2 year term, the Board could vote to extend the term or to foreclose, noting after one year the project should be ready to be put out to bid. Ms. Sterling agreed with a three year term.

Mr. Calvin made a motion, seconded by Mr. Cummings, to approve a three year, 5% interest only, \$200,000 loan with a balloon payment, to Hudson Development Corporation, with the following conditions: holding twelve months of interest only payments in a debt reserve account; holding a first mortgage on the CSX and the Kaz properties until the loan is paid in full; resolve the title concern with the CSX property; reserve \$175,000 for the purchase of the property. Carried.

Governance and Nominating Committee:

Mr. Champion stated the Governance and Nominating Committee had reviewed and recommended the extension of CEDC's contract with Tucker Strategies for a two year term. *Ms. Sterling made a motion, seconded by Mr. Calvin to approve the two year extension. Carried.*

Workforce and Education Committee:

Mr. Lapenn reviewed the discussion that took place at the last workforce meeting, regarding the creation of a mini-grant program aimed toward school districts with a specific project in mind.

Portfolio Review:

Ms. Lane stated Fahari Bazaar had caught up on the loan after being out of the country. Les collines had been in touch. She noted Angelo's had been issued a demand letter, which had initiated a call stating they would begin payments. She noted their goal was to pay off the growers and CEDC. *Ms. Sterling made a motion, seconded by Mr. Bianchi to approve the portfolio report. Carried.*



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Public Comment:

Stephanie Sussman stated the village of Philmont currently lacked a laundromat. She noted that many low income families currently resided in the village. She informed the board Taconic Hills school district was currently washing the clothes of the students from Philmont. She referenced studies that indicated children with dirty clothes were at a higher risk of being bullied, lower self-esteem and poor attendance. She noted the trend in Taconic Hills toward lower proficiency in standardized tests which is the reverse of state trends. She presented a concept called laundromat literacy that could be tried in Philmont. She asked if CEDC could help facilitate locating someone willing to open a laundromat in Philmont. Mr. Tucker suggested she schedule a meeting with him and Martha Lane to discuss the idea.

With no other business to be conducted or public comments Mr. Calvin made a motion, seconded by Mr. Bianchi to adjourn the meeting. Carried. The meeting adjourned at 9:45am.

Respectfully submitted by Lisa Drahusuk