

**HUDSON DEVELOPMENT CORPORATION
BOARD OF DIRECTORS MEETING
JANUARY 22, 2014
1 NORTH FRONT STREET, HUDSON, NY**

PRESENT

Bart Delaney
Don Moore
Seth Rapport
Chris Jones
Victor Mendolia

ABSENT

Perry Lasher
Mayor Hallenbeck
Duncan Calhoun
Ohrine Stewart

ALSO PRESENT

Abdus Miah, Alderman
Cheryl Roberts, Attorney
Bill Rohr, TGW Consulting
Tom Fucito, Auditor
Bill Hughes, Columbia County Supervisor
Sheena Salvino, Executive Director
Madeline Marvar, Executive Assistant

The meeting was called to order by the Executive Director at 12:09pm.

Sheena would like to start the meeting by welcoming Bart Delaney, new minority leader for the City of Hudson Common Council to the Board.

FINANCIAL REPORT

a. Auditor's Report

Tom Fucito of Shallo, Galluscio, Bianchi & Fucito reports: Regarding the \$351K decrease in net assets: Sale of 57-59 North Front Street property was valued at a higher assessment, and as a result of changes in market conditions we are now showing losses in net revenue due to a decrease in the property value. Overall net assets: \$668K unrestricted funds, \$400K liquid as of Sept 30th.

Though we have removed Quentin Cross debt from our books, if/when that money is recovered, it will be added to the books as recovery of bad debt.

b. Updates on Fiscal Year Change

Tom reports that we have been in contact with the Authority Budget Office of New York regarding our pending request to file a 3 month and a 15 month audit package for both organizations in order to adjust our PARIS budget reporting to a calendar year fiscal year.

c. Approval of November & December Financial Statements

MOTION by Victor Mendolia, seconded by Chris Jones, to accept financial statements as presented. All in favor. **Motion passed.**

OLD BUSINESS

a. Hudson Islamic Center

Referring to the parcel map provided, Cheryl clarifies that the deed for the transfer of the property shows that 45 was never transferred. 43 was a parcel transferred to the HIC from Housing Resources; there's a blank parcel (possibly owned by Galvan); 45 is owned by HDC and HIC wants it transferred to them; 42 has a title issue; the recorded owner of 41 is HIC.

Seth states that the minutes from the time period of this transfer state the transfer of *two* parcels, not three. We are attempting to sort out the chain of ownership, which shows that two were transferred, and one had a cloud on the title, which HDC was clear about at the time of transfer and the HIC attorney involved in the transfer noted this to his client at the time. The cloud still exists on the title. So at present, HIC currently owns two titles and one has a cloud which requires litigation to be cleared. The current issue is that there is a third parcel that HDC owns that was never transferred, and HIC is requesting that we either transfer or sell it to them at this time.

The issue at this time: Seth feels that it would be inappropriate and potentially illegal for HDC to transfer the third parcel, especially considering that since the original transfer of the two parcels, there is now a requirement in place for us to report any and all real estate transactions to the State. According to the document provided by Cheryl, the Not-For-Profit Corporation Law, Chapter 35 Article 14 (McKinney's N-PCL 1411), Local Development Corporations may not transfer property to an organization that is not contributing to economic development, and not to a religious organization. There is a possibility that the original transfer may even be void under this law.

Bill Hughes asks if we could transfer this property to HCDPA or the City of Hudson, and then one of those agencies could transfer it to HIC? Seth says that we cannot transfer to circumvent the law. Bill asks if that is opinion or law. Seth states that it is his understanding that HDC cannot transfer the property to another corporation that would not be held to the same legal hurdles that HDC is, and Cheryl agrees that we cannot "gift" property either. She states that it would be illegal for HDC to transfer the property to the City who could then transfer it to HIC. Bill states that he wants that in writing, and says that he will call the State and verify that, because he does not believe that we could be prosecuted for what HCDPA or the City does with the property after transfer. Seth states that yes, we absolutely could be, because we have to ensure that we are transferring the property for a reason that supports our mission. Seth and Cheryl say that we could potentially place a parking lot on the property, as that is considered to be a furtherance of economic development because the City of Hudson is short on parking. However, it is unclear as to whether that is even feasible, given the size and placement of the lot.

Don states that he does not believe that a parking lot makes any sense on that corner. He asks if it is possible for us to trade 45 (the parcel in question) for 41 so that HIC has contiguous properties? If that were possible, then HIC would have 41, 42 and 45 together to build on. He states that he feels that this is the best route. Bart agrees. Sheena asks how this would hold up legally and Cheryl states that it would be a wash for HDC, as we would still end up with a parcel in the end.

Bill asks if we are unable to develop the land within our mission requirements, can we explain the circumstances to the State and see if HDC is allowed to transfer or sell the property to a private entity or HIC? Seth clarifies that regardless, we are unable to do anything with the property outside of our mission purview. Don states that the property could have a store on it, much like the property across the street, so there is no chance that we could not develop the land.

Abdus asks to speak. He states that this deed issue is a mistake, and he wants to know how he can fix that. He is making the case for adverse possession given how much work they have put into the lot, which has not been used by HDC. Cheryl states that he cannot claim adverse possession because we are a quasi-governmental agency. Seth explains that Abdus would need to speak with an attorney to claim that, that we could not make any action to approve it. Abdus states that he is not making this case. He states that he would like to know how the assessment was changed. Cheryl says she would like to know too, how the city assessor at the time was able to change the assessment without the deed. Abdus says that this needs to be changed with Columbia County, and Cheryl states that nothing was ever filed with the County. He keeps pointing to the assessment, but Cheryl states that without the deed, the assessment is worthless. Cheryl states that the signature is his lawyer's, and he needs to speak with his lawyer. Victor asks if maybe we should speak with his lawyer to get more information. Abdus says that the County has changed it and wants to know why we are saying it was a mistake. Seth states that if Abdus were to speak to the current county assessor, he would tell

Abdus that this was an error that needs to be reconciled within their records. Abdus states that they paid taxes on this property, and now after 14 years of utilizing the property, they are being told the property isn't theirs. Bill asks if they paid taxes on this property, Abdus says yes. Cheryl clarifies to Bill that \$67 in taxes were paid one year and never again.

Seth says to Bill that if there is a practical and legitimate way to swap properties, we should pursue that. He feels that adverse possession is not an option given our quasi-governmental status. He feels that it would be inappropriate to attempt to transfer the property through the City or HCDPA. He would really like to look into the swap possibility, however this may be difficult given that the other properties are difficult for us to take on.

Sheena states that it appears that we cannot make any further progress on this issue and we should move on. Seth states that we can talk about the swap possibility, because the State would not need to be involved as long as there is no change in net possession of property. He wholeheartedly invites Bill and HIC to discuss this and come back to us to discuss a resolution for the issue. Victor states that it is possible for HIC to purchase property elsewhere to sell to us if necessary.

Abdus wants clarification on how this mistake happened, and he feels that Cheryl is taking advantage of the mistake to keep the property. Cheryl states that that is not at all the case, and that she is not under any circumstances taking advantage of the mistake or of his community and that she is only trying to adhere to the law. Abdus feels that after 14 years, HDC is trying to take property back. He and the other members of HIC present in the audience are VERY upset with HDC.

Seth is concerned about the fact that there is a misunderstanding, and requests that we immediately put out a statement that properly characterizes our efforts and the legitimacy under which we are attempting to operate. He wishes to avoid inflaming or succumbing to the political aspects of this solution.

b. Quentin Cross Repayment

Seth states that this is not, under any circumstances, a personal issue. He wishes to recover funds that are in fact owed to us, by judgment of law, including our 9% simple interest. Mr. Cross has made an offer of \$50 a month for 22 years. Seth feels that as Mr. Cross does not have a dependable history of making payment and that his debt has now grown from \$13,000 to just under \$20,000. Seth recommends that we give him 30 months interest free to pay off the debt that has now accrued, or 60 months at 5%. His feeling is that while we may never collect this, this debt will continue to accrue and it is possible that his financial status will change and he will be capable of repaying under renewed judgment. That is Seth's sole opinion, because we are a public entity that is owed a debt by a community member who is currently running an organization in the City of Hudson. He feels we should make

this counter offer because, although Mr. Cross will likely decline, it will go on record that we made him a better, more fiscally responsible offer for repayment of his debt, and that judgment will stand and the debt will continue to accrue. Bart clarifies that if Mr. Cross is ever in a salaried position, we can collect on his salary.

The debt is now at \$19,000. Victor asks if that interest is automatic, and Cheryl states that there is an interest on repayment of debt. Don asks why we have not been factoring in the interest in our books. Seth suggests that we may wish to speak with our auditor regarding the writing off of this debt, as we wrote off the flat debt owed without consideration for the interest.

For simplicity's sake, Sheena suggests we extend the interest free offer to 36 months, or 3 years, and the 5% discounted interest for 5 years. Cheryl states that if we make this offer and he signs it, we can re-file it and then we get another few years to attempt to collect the debt.

Don asks if it wouldn't gain more bad publicity if we all of a sudden say "oh actually you owe \$20,000, not \$13,000." Seth states that there is no problem with us saying "oh and by the way, you not only *still* owe the \$13,000, but there is accrued interest as well." We are attempting to responsibly collect on a bad debt that is owed to us, and the reasons that we gained the bad publicity in the first place was only due to the fact that the public thought that we were forgiving the debt entirely, rather than just trying to clean up our books. Seth suggests that we are to write a letter to him to clarify what we are offering, and if he goes to the media, then we can respond accordingly in a very clear and concise manner. If he agrees and signs off on this offer, we can add it to the books.

MOTION by Bart, seconded by Chris, to extend an offer to repay balance due with 9% statutory simple interest accrued over 3 years interest free, or 5 years at 6%. Victor abstains. Five members in favor. **Motion passed.**

Staff will look at HDC's D&O policy coverage for the 2006-2008 period to see if we might be able to file a claim against this loss.

Cheryl states for public record that Quentin Cross does owe funds to another organization and also the State of NY for taxes.

Cheryl requests that on the agenda for the February Board meeting to address the lapsed agreements between HDC, HCDPA and the City of Hudson.

EXECUTIVE DIRECTOR REPORT

The next Board meeting is scheduled for February 26th at noon.

Sheena states that HDC currently has six open positions on the Board.

Sheena notifies Bart that he must participate in an ABO training session, the next one is on February 26th. Chris states that she needs to participate as well. Sheena will send both of them information.

Regarding the truck route, Don states that the City is considering several paths of action, including GPS rerouting and traffic stops. Seth requests that we find some means of being involved in and/or supporting a truck route study or some other means of supporting the City's efforts to deter truck traffic.

Regarding parking, Sheena states that she and Bill Rohr have been in discussion regarding the perceived need versus the real need for additional parking in Hudson. She states that she has also discussed with Supervisor Hughes some private entities and other efforts in the City that are addressing parking issues. Anecdotally, Seth shares that there is an outside entity coming into Hudson who has leased his old building, and he hopes that they will not only bring a few employees, but hire within Hudson as well -- Hudson River Healthcare Consortium, whose core mission is to service underinsured and uninsured individuals in the Hudson area.

Regarding wayfinding, Sheena asks Don whether she needs Common Council approval for locating the wayfinding signage. He states that he does not believe so.

NEW BUSINESS

a. RARP: Day Care Center

Don states that the City agreed to transfer funds to HDC for this project, and there will need to be a renewed resolution to complete this transfer. Sheena reports that she is working on the grant execution documents. The next step is to gather a core team to develop the scope of work to be undertaken.

b. Apprenticeship Program

There are two community members who are looking to retire and they have an interest in developing an apprenticeship program to take over their business and equipment. Sheena has spoken with several individuals in the Hudson community, to determine what opportunities there may be able to seat the program. Seth feels that we should contact Rob Kalin because he has a building and proposed a school -- he may be interested in supporting or donating space for this program. He feels we should also put his program in touch with HRBTF for some funding, maybe out of our fund.

c. Renewal of TGW Contracts & Agreement

No changes from last year's agreement and contracts. Bill Rohr provides a copy of the resolution from last year, which allocates expenses among HCDPA and HDC the same amount of money. The contracts are not up until the end of February, so this is just information for the Board's review at this time.

Don feels we need to discuss the basis on which we renew contracts. Do our procurement regulations require us to submit for other proposals? What protocol should we be following? Sheena states that the HDC and HCDPA procurement policies are the same as the City's. Seth agrees that we ought to pursue this, just to be in compliance. Don requests that TGW be able to provide what they have done this past year and what they intend to do in the upcoming year, which Bill provides:

Re: RARP: Bill wishes to express that there was not a lot of money available for this program, and we were awarded it based on our strong application and "TGW having done their homework."

Thoughts for next year:

- Promenade Hill Park: TGW's past issues with the proposals were that we applied to the wrong program (CDBG instead of Parks Development), and we went with a very expensive and complicated design from an engineering firm, so this year they will go with a landscape architect (who was the principal designer on a new park in Troy, NY) who can create a simple, cost-effective design.
- Ferry Street Bridge: TGW needs to come up with hard numbers on cost, so that the project can be seen as credible to DOT.
- Dunn Building
- Consolidated funding application: this past year, the funds were not directed through communities, but instead through organizations and developers, so Sheena and Bill will need to go make those contacts.
- Work closely with CGCC and Housing Authority on job training

Sheena informs the Board that she is on a Steering Committee for creative economy and she will be taking them on a tour of Columbia and Greene County creative and cultural assets. She will also be bringing two others down from the Capital Region Economic Development Committee to lobby for Hudson's development projects.

Seth asks if there has been any further development regarding the hotel development on the waterfront. Sheena says not at this time.

MINUTES

a. Approval November/December Combined Meeting Minutes

Victor notes that there are two misspelled names that should be corrected to "Quentin Cross" and "Abdus Miah".

MOTION by Don, seconded by Victor, to accept the November/December combined minutes as amended. All in favor. **Motion passed.**

Chris wishes to say that as the Wayfinding gets underway, the streetscape of Hudson will be changed for the better, and she wishes for us to reconsider pursuing the benches and the trashcans. She asks us to add "streetscape" as an ongoing project. She also brings up the 7th Street Park holiday village project as something we could participate in.

ADJOURNMENT

MOTION by Bart, seconded by Chris, to adjourn. All in favor. **Motion passed.**

The meeting was adjourned by Sheena Salvino at 2:41pm.