

HUDSON DEVELOPMENT CORPORATION



Special Board Meeting

April 4, 2018

12:00pm

1 North Front Street, Hudson, NY 12534

MINUTES

PRESENT:

Duncan Calhoun
Don Moore
Tom DePietro
Mayor Rick Rector
Brian Stickle
Bob Rasner
Brian Stickle
John Gilstrap
Chris Jones
Alex Petraglia
Carolyn Lawrence
Seth Rapport

ABSENT:

Bart Delaney
Kristal Heinz

STAFF:

Sheena Salvino
Branda Maholtz
Matt Griesmer, HDC Lawyer

Public:

Carole Osterink
Heather Campbell, City Treasurer
Colin Stair
John Kane
Nick Zachos
Karla Roberts

Nicole Vidor
Stephanie Monseau
Victor Mendolia
Brandi Nelson
Sean Kearney
Kathleen Foley
Tom Rossi
Jeff Beulle
Kate Jarosh
Mary Riddervold

1. CALL MEETING TO ORDER at 12:03 PM
2. New Business – Montgomery Street RFP Proposals

Intro by Don Moore, Committee Chair

Don states that the purpose of the special meeting was to introduce the two bids to the public and for the board to consider the proposals and consider any other information that might be needed in order to make a decision; also that the board will go into executive session to discuss the financials. He states that the Board may have a public vote at the end of the meeting resulting in the selection of a preferred developer team.

Don informs the public that there are a few members of the board that have recused themselves from voting due to conflicts of interest.

Don also informs the public that there are ongoing discussions with CSX about a parcel adjacent to the property.

He reminds the public that the visuals have not been included as there will be many iterations before the final form of the plan and buildings will be finalized.

He reads project goals from the RFP to the public to reiterate the intent of the project. (SHEENA ADD)

He asks the board if they have any comments or questions before proceeding. There are none.

Bonnacio

Mary Riddervold and Kate Jarosh are in attendance to introduce the team and the projects:

Bonnacio has 3 decades of experience with development, especially in infill projects. Their initial concepts include mixed-used building in the front of the property, a grocery store, an agricultural resource center and workforce housing, also considerations for parking. She states that they are interested in feedback from the public.

Nicole Vidor asks how they intend to weave the project into the rest of Hudson-- Especially pedestrian traffic.

Bonnacio answers that they want to fit into the streets scape in design and they are looking towards a car-less project that will allow for parked cars, but a more public space for residents to promote walking, biking, and types of retail fitting to the local demographic.

Stephanie Monseau (Bindlestiff) asks how the plans fit into the city of Hudson as there is no real transportation for everyone. And she asks about how they will handle the flood plain aspect.

Bonnacio will work with an engineer and construction contractor to address the necessary building solutions.

Sheena shares that the Committee has communicated with the City's Conservation Advisory Council Chair, Jonathan Learner, about the site and its development. The preferred developer will consult with them as the project develops. She continues, that the comprehensive plan and LWRP have been in consideration of the site development, stating that the comprehensive plan calls for mixed-use developments and the LWRP zoning allows for Residential-Special-Commercial uses in this district. She notes that each proposal submitted is attendant to those goals.

Seth addresses Bonnacio with an inquiry about DRI and the intent to have workforce, affordable housing, and market rate housing. Seth asks if the financing is contingent on the number/ratio of affordable housing and market housing as there is a momentum in the community to have more workforce housing. Bonnacio responds that they have worked in both types of housing and they are willing to work with the public and are interested to hear what they desire.

Kearny

Sean Kearney introduces the project and team: Kearny is family owned and operated and they maintain 1200 units from Westchester up through the Hudson valley. They are invested in the communities that they develop in. The project is a combination of artist live/work space, workforce, market and middle-income housing. They are the first to be funded by NYS to do a middle income project in Peekskill. It is an incentive type program that focuses on under market rentals for middle income. Because of the mix it does not stigmatize any demographic, he feels it is a good model for this City. They plan retail on the first floor, and work with brokers that could offer a smaller scale grocery for urban areas as well as maker space. Kearney works with retailers to help them have low overhead in order to be more profitable and operational. They also intend to include a park.

To the question of flooding and floodplain issues: They have a geotechnical engineer that they deal with on other projects, and assume that they will need to do the same on this property. They will also provide indoor and outdoor bike storage for residents and those using the retail. All of their designs are governed under NYSERDA, they want to reduce carbon footprint. Sidewalks will be all ADA accessible. Their architect has a lot of experience in making sure the look of the building is appropriate for the area and make it inviting and engaging for residents and citizens.

Nicole Vidor asks about solar or geothermal. Kearney restates that they will consider solar and geothermal, but the intention is to keep utilities very low.

Seth asks about the ownership. Kearney explains that they partner and then they get Tax credits and own it long term and then after 15 years they become full owner and continue management.

Have completed 18 projects of various sizes in the valley.

Stephanie Monseau asks about the site plans if there is contingency for a Amtrak to expand, as it is a very popular. Kearney says that they went with the zoning and they did the parking as it is necessary though there are considerations for future growth. It is critical to connect both to the waterfront and the rest of the city, Kearney does not want people to pass by without engagement. Sean suggests that they may need to 'hold' space for bus stops and other elements of inter connectivity. As well as the consideration of rising river waters and engineering. We don't want the site to be enclave we want them to have a design that is based on robust public input.

Redburn

Tom Rossi and Jeff Buell introduce the project. Redburn developed the Wick Hotel in town. They considered the site because of the walkability and less focus on cars. They are also speaking with Hawthorne valley about a potential store. They proposed a mixed-use site. They build "Everyday apartments for everyday people." They did project in Watervliet, Tilly lofts, where they built a

geothermal and solar powered energy system. They engineer their own mechanical systems and building techniques. They intend to have 20 artists' lofts and complimentary theater/arts focused working space. Jeff states that there should be some for sale property- continuing that the train is a driver for this area.

Jeff continues about the apartments for rent saying they do flat rate rentals (rent, utilities, internet package) that are inclusive. They believe themselves to be neighborhood builders. They initially thought they would do a parking garage, but now that they are considering first floor parking instead.

Seth asks about the 400 space municipally owned parking garage originally proposed. Jess says that they proposed that they would manage the parking and the revenue would benefit the city. However, Jeff goes on to say that they are now considering the view shed we may change. Adding that he feels the space is conducive to parking and the city can have revenue. Seth also asks about condos as this is not necessarily a condo market in Hudson. They state that the condos will be in the \$300sK as they don't want to have them empty. They believe that there will be an influx of people leaving the city and still wanting access and that they project these types of condos will be saleable and desirable.

Carla Roberts asks about workforce, artists, moderate price housing, she wants to know the difference. Jeff explains that they want to focus on the arts community as they drive community. They may not be able to make money. She asks how they define artists and who gets to live there. He explains that there is a verification process.

Erin's Kanaga is concerned about the amount of trash that would be generated as she is not pleased with the current situation on Tanner's Lane. Bonnacio addresses the concern with the management of the site and they have experience.

Nicole asks Redburn who the designer will be. JT from re4orm Architecture. Nicole asks about why Redburn doesn't manage the hotel. Tom states that they own the building, but they have a hotel management company. Nicole states that it doesn't feel like a local Hudson hotel. Don ceases the conversation as it is about the Wick not about the new projects.

Don wants to be sure that each presenter was able to discuss all the elements efficiently.

Bonnacio—Completed 22 projects, mixed use--All but 5 they still own. They remaining were condo projects. There are 7 under development. Agricultural/community space with grocery, 1200 for store, 800 for center/community space. As they heard that there was a desire for educational center. NYSERDA energy star certified on their projects. We want those who are renting to be able to pay for their utilities. They work with spectrum and provide internet and cable as well. They do a lot of in-house steel work for their projects. They have their own management company to manage their properties.

Kearny wanted to address amenities: They will maintain an onsite management office for rentals, a fitness center, libraries and theatre rooms, events in community rooms for residents. Retail and commercial spaces will be chosen to make sure they are relevant to those who live here full time and part time the grocery store is needed and the rest of the retail will evolve out of conversations.

Redburn/Sequence: They have 3 other projects in progress. They have 11 other completed projects.

Nick Zachos asks Redburn about the breakdown. They don't have a full breakdown as they don't use tax credits. They say that they want to stick to 1/3 of income for housing. They are building so that people can afford, and when the economy shifts, their business model will be viable.

Stephanie asks about the timeline, the amount of public input, and will there be tax credits offered, as well as remediation.

Don states that today's discussion is to determine which developments the Board will continue with. He adds that the Board may decide to have another presentation. It is clear in the RFP that this is a lengthy public process. Written into the agreement for the sale will be a process that includes the public. Don states that there are no pilots thus far, as it is not in the purview of the Board. He suggests that there may be some tangential assistance with DRI, but there may be other incentives. Pilot would be decided by the city or county, not HDC board.

Carla asks about seeing previous work from developers. Don encourages them to go to their websites. Don suggests that the developers would be willing to show.

Mr. Gaines asks about connectivity to 3rd street-- As there is a property Von Ritters that is zoned as industrial. He asks if there will be changes to the zoning changes to this property as it's adjacent. Don states that it would be up to the city.

Colin wants to state that we want to raise tax base not tax cost and he encourages the consideration of the pilot to be public. He believes that the DRI would be enough of an incentive. The board iterates that HDC owns the property, not the city. Colin asks about the progress on CSX.

Matt Griesmer states that there are many layers of people to communicate. The original contract had some objectionable elements to address. We are stuck in bureaucracy right now.

Nick Zachos asks if there are more meetings that they be held after 5 pm so that more people can attend.

Don responds that it is entirely possible.

Brandi Nelson asks whether any of the applicants have train access experience.

Kearny has 2 projects that have non-vehicular train access. They have reduced the number of cars in these areas.

Bonnacio also has a project in Saratoga that is close to the train, but this project would be the closest. Redburn, we have done close proximity, but they have not done something in close proximity like this.

Bob Rasner asks about the claim that the increases to Amtrak projection that Hudson would be #2 in off/on ridership in the State of NY. Redburn qualifies that there will be a lot more live, work, play type of living in Hudson in the future. But perhaps not the additional 600K number to match Albany at this time.

Don asks if there are more questions- none being asked- he thanks the public.

John Gilstrap MOTIONS to go Into Executive Session For the purpose of reviewing the financials offers provided by the applicants at 1:30 PM. Don Moore SECONDS. ALL IN FAVOR.

The board returns from executive Session at 2 PM MOTIONED by Chris. SECONDED by John. ALL IN FAVOR. MOTION PASSED.

For the purpose of reviewing the financials offers provided by the applicants.

Don MOTIONS to Continue the consideration of all three proposals Chris SECONDS. ALL IN FAVOR. MOTION PASSED.

The board went through an initial vetting round along with public input that has allowed the board to consider all three bidders. The board wants to consider the financial aspects more rigorously.

The board discusses general timelines for the process and making sure that we have due diligence in consideration of the bidder's capacity, financial ability, accountability, and integrity. The board would like to ask for some additional information including financials, clarifications on potential PILOT and DRI expectations, and some sense of how this will be financed along with the city's participation. They will be asked if they would like to alter their proposals. Sheena will communicate this and ask them to return the information in 3 weeks. More members of the board will also do site visits.

Chris MOTIONS to Adjourn at 2:13 PM. Carolyn SECONDS. ALL IN FAVOR. MOTION PASSED.