

# HUDSON DEVELOPMENT CORPORATION



Monthly Board Meeting

June 26, 2018

12:00 PM

1 North Front Street, Hudson, NY 12534

PRESENT:

Mayor Rick Rector

John Gilstrap

Don Moore

Tom DePietro

Bob Rasner

Alex Petraglia

Carolyn Lawrence

ABSENT:

Chris Jones

STAFF:

Sheena Salvino

Branda Maholtz

Public:

Karla Roberts

Walter Chatham

Matthew Frederick

Rich Volo

Krisen Keck

Sophie Henderson

Ellen Thurston

Julie Metz

Mark Morgan Perez

Melissa Auf de Mer

Amanda Purcell

Barbara Dague

1. CALL MEETING TO ORDER

The Meeting was called to order at 12:03 PM

2. MINUTES

- a. REVIEW AND APPROVE MAY MINUTES – Don MOTIONS to accept the May minutes. John Seconds. ALL IN FAVOR. MOTION PASSED.
  
- b. APPROVAL OF SPECIAL JUNE MINUTES -- Carolyn MOTIONS to accept the June minutes. Don Seconds. ALL IN FAVOR. MOTION PASSED.

3. FINACIAL REPORTS

- a. REVIEW AND APPROVAL OF FINANCIALS -- Don MOTIONS to accept the May financials. Bob Seconds. ALL IN FAVOR. MOTION PASSED.

Don points out that our cash position will be about \$50,000 once Sheena leaves in August. We need to keep this in mind when hiring and administering other projects.

4. OLD BUSINESS

- a. CSX PURCHASE AGREEMENT –

John Friedman is here to answer any questions about the agreement and provides a report to the Board. Rick asks him to review. John Friedman explains:

Dated June 13, there were some changes and modifications but nothing substantial since the last discussion. 85K purchase price, for .46 acre L-shaped piece of land, which is taken from a larger lot. We have 60 days post signing to close. There are no contingencies except for due-diligence. Survey is already complete and must be delivered to CSX. Everything must be coordinated through CSX. There are some deed restrictions including residential purposes. But driving over does not indicate residential purpose, however this is in the deed and although they agreed in email that this use was ok, it has not been removed from the deed. We added clarification to make sure that the property line is included to make sure there isn't any negligence. John F. did not find anything upsetting in contract until section 13 which deals with environmental issues. It has been used since early 1900 as industrial (see handout). Environmental law in federal— any leaching, drainage, etc. the liability will be on the buyer. Issue is what was the property used for? We know it is toxic because the deed prevents any shoveling or growing and they must be present in order to do anything on the property. Previous legal counsel also states that this is problematic as well. We have the right to do due diligence but if we test it and we don't like it, we can get out—they will also probably pull out of the agreement. It seems like they do not want to sell us the property. They ask for them to be indemnified for everything. They are not willing to negotiate. It seems certain that there is toxic "stuff" there, there isn't anyone else who has owned the property. John's legal advice is to not enter into the contract as there are too many liabilities. John F. feels that the city should take the property and then give it to HDC. This way HDC can get it without deed restrictions. The city would be taking the land under eminent domain.

Rick asks about the last appraisal. Sheena confirms the appraisal was done within the last year but it was done without respect to potential use.

Don asks how long it takes to have the city take the land. John finds issue with liability and underwriting. Don feels that this could cause problem with our applicant developers.

John F. feels that the developers would also have trouble with their insurance.

Bob clarifies that John feels that the contract and going through with this is ill-advised.

John Friedman states that if HDC indemnifies CSX, HDC is part of the chain of ownership, and therefore on the "hook" financially should any environmental issues arise. John feels that environmental issues will likely surface.

Don asks if the city were to pursue the property if a developer still be interested? In other words would it help the attractiveness of the property parcel. John F. believes that this depends on the developers level of risk and the liability of the environmental. John F. wonders if HDC has the power of eminent domain.

Bob asks: 1. Do we want the property? 2. Do we want to proceed? or 3. Do we ask the city to acquire through eminent domain.

Bob says that if the city takes it, it keeps CSX responsibility.

Rick asks about brownfield remediation grants. And John states that it would just be a cap then, and it doesn't address the flood plain issue and ground water potential issues.

John F. feels that it's better for them to remove the restrictions, but they probably won't do that so he suggests the city do the takings.

As the board is waiting for a return call from CSX to see if they will take out the language in question, they will look into the eminent domain procedure. John points out that it's not an offer from them, it's an offer from us so we do not need to take it.

Rick and Tom will discuss with the city's counsel and report back to the board.

#### b. KAZ REDEVELOPMENT- NEXT STEPS

Rick starts by stating that we still need legal counsel in order to proceed. Sheena is waiting for response from Dan Tszunski. Chris Shaw feels that there might be conflict because she also represents IDA, etc.

John G. asks the board if they would like to continue with the current strategy. Ricks asks if there has been conversation with the applicants and there has been, and the feeling is that they are still interested, but want to see the current issues including CSX property resolved. Don feels we should keep the current RFP active at the time being as they are not seeking a decision. We also need to onboard new board members and have their input. Rick clarifies that we need to get new board members and replace the Executive Director.

John G. feels that the board should continue the due diligence with site visits and look at the financials because stopping and starting over undermines the credibility of the agency and the city.

Bob ask Sheena and the rest of the board if there has been interest from other developers as was suggested by the audience at the next meeting. Sheena states that no one has contacted the HDC Office. John G. states that in his experience in RFPs and we stop it and redo and then select a bidder that wasn't an applicant before it is not advisable.

Rick wants the board to first consider the executive director role in short term and long term, the new board members, and then go back to the RFP.

Don states that his perspective is that he wants to continue the process especially with new members. It does NOT imply the approval of a developer. We still need to get to the decision of whether we select one of the partners. As long as we are committed as board members some of these processes can work in tandem.

Carolyn wants to know what people are looking for in the RFP that is not there. She's heard that people are concerned about the design and how it will fit into Hudson. Rick answers that there are some people have given the feedback that the planning should be done first and then go out to bid. Rick isn't sure if it will change anything as it is a static area down there, but he is communicating what he's heard. Rick is most concerned about Sheena leaving in a month—he opines that the Board should be considering short/long term solutions.

Sheena restates that the Committee vetting the current developer teams will continue to do their due diligence while the nominating committee reviews and vets Board candidates.

- c. LEGAL COUNCIL—Sheena states that she had a discussion with Dan Tuczinski and he has expressed interest but has not yet submitted a letter of engagement. Sheena asks for other recommendations.
- d. EXECUTIVE DIRECTOR SEARCH COMMITTEE- JOB DESCRIPTION DRAFT included

Sheena asks the board to send comments and changes to her and Sheena will put this together and prepare for posting. Bob and Tom are also on the search committee. Rick asks how long it took when Sheena was hired. Don states that it took a few months.

The officers have had discussion about managing the time and procedures in the interim until filling the position.

There is a discussion about whether the executive assistant can be interim director.

Tom says he has a suggestion for an interim but the resume is not ready. This is Mike Tucker from CEDC. This would be lower cost interim.

Don brings up whether we have enough financials/payment.

## 5. NEW BUSINESS

### a. BOARD LEADERSHIP & DEVELOPMENT

We have received 9 applicants and have 7 openings. We have a nominating committee. Don included two-page document to help the board understand the nominating process for board applicants. This is a draft that also includes section from by-laws so that the role of a board member, the qualifications, the makeup of the board is understood.

The nominating committee is separate from the search committee for Sheena. The nom. Committee should meet with each of the applicants to discuss the purpose and mission of the board.

Tom volunteers to be the nominating chair.

Bob states that currently we need to meet with them and encourage them to come to a meeting.

Sheena states that the Vice President position is vacant.

Don Moore nominates Bob Rasner as Vice President. ALL IN FAVOR. MOTION PASSED.

## 6. PUBLIC COMMENT

Melissa auf de Mer: She wants to bring up the big picture. As the DRI, KAZ, Haul Road, and everything is connected. She has been asking for the process to be slowed because she feels that there will be more opportunity once the DRI is announced. The question that has arisen out of conflict is what is the responsibility of HDC to the people and city? She applauds the board for expanding. She points out that

there will be more opportunities again. She wants the added level of vision and planning so that things are done well. She agrees that we need to keep working and show that we are sending a good message to the state that we are getting things together.

Julie Metz: Meetings happen at noon on a Tuesday and she urges the board to change the time. She agrees that when the money comes in there will be more opportunity. There will be more people looking at the city. She feels that we didn't do any planning and that we just handed over to a developer.

Don addresses the time request and states that there is a reason for the meeting time which was to be a lunch meeting as the board all have jobs and it was the best time.

Karla also agrees that the meeting needs to change. She also thinks that if there is a piece of property that is environmentally hazardous to gain access to the Kaz area then of course we should slow down. Don comments that we have decided that we are slowing and not making a decision.

Barbara Deig states why don't we dissolve the board and put the talent elsewhere. She also asks whether there is environmental concern under Kaz.

Matthew Frederick has not been to a previous meeting.

Urban design is different than urban planning. He feels that the city needs an urban design study in which the potential developer work under.

He doesn't feel that having a developer from out of Hudson will be good economic development. Even though hdc is well meaning it doesn't seem that there is a vision forward and there is no visual to see of the potential and what is the meaning to the community and who is going to live there.

Tom MOTIONS to put the July 24 meeting at 6 PM for this one time. Don SECONDS. One Abstention. MOTION PASSED WITH MAJORITY.

## 7. ADJOURNMENT

The meeting adjourns at 1:48 PM. MOTION by Don. SECONDED by TOM. ALL IN FAVOR MOTION PASSED.