

HUDSON DEVELOPMENT CORPORATION



Special Board Meeting

June 7, 2018

5:30 PM

1 North Front Street, Hudson, NY 12534

PRESENT:

Mayor Rick Rector
John Gilstrap
Don Moore
Tom DePietro
Bob Rasner
Chris Jones
Carolyn Lawrence

ABSENT:

Bart Delaney
Alex Petraglia

STAFF:

Sheena Salvino
Branda Maholtz

PUBLIC

Carla Roberts
Keith Kenega
Nicole Vidor
Wes Tolby
Julie Metz
Peter Frank
Karen Smith
Kristen Keck
Kim Bucci
Tony Stone
Jeff Yeh

Clark Weiman
Mark Morgan Perez
Linda Mussman
Nick Zachos
Carole Osterink
Amanda Purcell
Eilleen Halloran
Rob Bujan
Rich Volo
Dom Merante

1. CALL MEETING TO ORDER

Sheena calls the meeting to order at 5:30 PM and states that it is a special meeting specifically to discuss the KAZ Redevelopment Project.

2. Kaz Redevelopment

John Gilstrap introduces himself as Board President and restates that the Board is having this meeting to let everyone know what has happened in the past and bring everyone up to speed with where we are. John expresses that he is excited about the potential for the project as he has been here for 1 year and feels that this is an essential new project for the future.

Don Moore addresses the room and introduces the memorandum attached as a document to inform the public about what HDC has accomplished so far in the process and how HDC is about 2/3 of the way through the project vetting.

Don states that HDC has three serious development responses to the RFP. He sums that the review committee has done site visits, conference calls, initial financial capacity review, and that more will still need to be done. Don reads off some of the questions to demonstrate the level of inquiry and types of questions that the board has been with concerned with in order to make a determination.

The question to the board is whether the board would like to continue and go forward with the process. Don points out the four remaining project steps as on page 2 of the document.

One of those is the land acquisition deal with CSX, which we will continue to pursue.

Don reiterates that the process including site visits has been extended to the entire board as it has been essential for everyone to be informed.

Don opines that it will probably be six months to a year before a contract is signed and completed. He adds that he want to ensure that we are protecting both our and the city's interest with this project.

Don restates that this is the beginning of the public input process.

Don points out that the process did start two years ago with an RFP process and another sole respondent application which was halted.

Don asks the board if there are any inquiries from the board that are outstanding.

John reiterates that he hopes that this was helpful to the audience and opens the floor to other elected officials.

Rob Bujan thanks the board for the document as it goes back to the original question he had at the common council meeting. He feels that this type of communication is vital especially with a new council and wants to have this to continue and not stagnate. He suggests it would be beneficial to have HDC members come to other city meetings to keep everyone updated.

Jon asks Rob if he feels that regular updates on the website and social media would be helpful. Rob agrees that along with meetings. Don agrees and wants to make sure that the city is a participant in this process. Don states that as he was council president before he understands that the council itself has a lot going on and it is important to keep updated and keep communications open.

Eileen asks about the loss of board members and the loss of expertise, including Sheena's departure. Tom states that there are many new board applicants. Mayor Rector says that it is important to look at the process and consider how we can be better and improve and change. The Mayor would like to see new members and like to have many of those who left reconsider and return. HDC is a vehicle that is utilized by the city as it is a non-profit. This is a service provided to the city through experts like the Executive Director, Sheena who has a masters in planning. Mayor Rector opines that if HDC goes away, it would be hard to develop a planning department as we are a small city and we don't have the resources.

John states that we want to have a more inclusive group of people as applicants.

Tom states that it was never the intention of the council to take over the duties of the agency. That was a false narrative that had circulated.

Don states that employees and staff come and go and adds that he feels the city/agency have been extremely fortunate to have Sheena for 7 years. He states that a committee is working on a job description to hire a replacement.

Sarah Sterling states that as she was at all the DRI meetings and that it never hit her that KAZ was such a big role as there is the potential for many new housing opportunities. She thinks it is wonderful, but it can also be pretty scary. She thinks the process has been good and she would like to see it go forward if possible.

Linda Mussman feels that this is putting the cart before the horse as the LWRP is not done yet. She doesn't feel that the agency is good, and she has said that before. She doesn't like that the board answers to itself and acts like an arm of the city.

Rich Volo states that three of the four finance committee members are here and they see the numbers. He invites everyone to come to the meetings. The consequences of moving forward or not moving forward are clear—the costs for the city increase and we need to increase the tax base in order to meet these costs.

Don Moore refers to the property tax estimate and we could get \$200-300 thousand in property taxes from this project. Tom asks if this estimate includes pilots. Don confirms that this does include.

Mayor Rector states that we all know that we need economic development. There are a lot non profits that don't have to pay taxes and that doesn't help the city, it's a challenge to become a better

community. There are a lot of new comers that expect the city to pay for everything. We have DPW that needs new equipment. We have the DRI which has been complicated. Linda is right that we need the LWRP. We have the bones of a LWRP in place in fact we have used the zoning from what we have in place at the waterfront. He suggests that everyone “take a breath and wait to see what the DRI projects will be”. He doesn’t feel that there is a need to move forward right now. He adds, HDC owns the property and can do with it as it wants, but he urges the board to wait to make a decision. John states that HDC can run projects concurrently. All agree that we need to move forward with CSX.

Eileen asks about the sustainability for HDC and by extension HCDPA. Sheena states that if HDC carries HCDPA’s financial needs, HDC and HCDPA have about a year. If the agency supports only its staff needs- it can sustain approximately 2 years. She adds that part of the sustainability plan has been to sell the property to sustain the agency.

Tom states that he would like to see the RFP reworked.

John addresses this that we can add community impact agreements in order to make this a better project for the City.

Karla Roberts agrees that this could be great for Hudson or it could be horrible. She doesn’t understand how the developer can be in charge of all the elements. She states that the site visits won’t show how they will manage the area. She asks if the Board could provide a map.

Don responds that a project of this magnitude is hard to do without a developer. You don’t just visit the site you need to go to talk to people and the businesses and who they dealt with. It’s a substantial commitment that comes with a track record and history. These three have been in existence for 5 years to over 20 years. When we put the RFP together we paid attention to the public opinion that we needed a grocery store and that we needed housing. We have to consider transportation and parking, we’ve had to look at how the area is isolated and how we can integrate it in with the rest of the city. When you look at the size and the extent of what we desire to have—it’s takes someone who has done this before. The developers are essentially willing to underwrite the businesses like the grocery store with Hawthorne Valley in order to let them succeed while using the investments from the property sale. John states that he will have additional information put up on the site to address these concerns.

Keith Kanaga states that it has been his impression that HDC is being put to the test when he feels that it is the City of Hudson as it is a new administration every two years. He would like to see a milestone with time frame in order to see how the process is going.

Nicole Vidor states that she appreciates that the Board has done a lot of work. The design and architecture are important to her and believes that renderings are important. She wants to know how the board will address this. Mayor Rector answers that there are plans with Historic Preservation Commission will be a part of the process to give it context. We have had renderings but we are not wedded to anything at this time and when the time comes we will have rules and hoops for them to jump through.

Wes Tolby from Rivertown states that he is relative new to town but he feels he was not made aware of what’s happening in town and now he is more aware of this project. There are a lot of mixed feelings about “where were you two years” ago and he feels that there are more developers that would be willing to participate. Hawthorne Valley will work with any developer that will have them so it’s not appropriate for them to glob onto it. He brings up the issue of having a city planner and needed to raise the tax base. The board decided to leave this discussion for the regular meeting.

Don states that according to rules for the public meeting we have to stick to the agenda. Sheena will add this to the agenda to the next meeting. Sheena states that she has advocated many times however there has never been a line item or budget added.

Julie Metz reads a statement that she has prepared making claims about lack of transparency during the DRI and mentions the ED and having no confidence. She doesn't feel that anyone is willing to invest there.

Don addresses the design aspect and states that these renderings are just placeholders and we are not just choosing based on design.

Tom states that the broader question of what's included determines the project and the RFP determines the project.

Peter Frank, states that he understands that these are rendering and that there will be public input as we go along. He opines that renderings are a way of making a first impression.

Bob Rasner states that although design is important it is not the most important decisions. We live here and we are your neighbors, we don't want to live with anything that does not improve the City.

Karen Smith states that you are asking questions, great questions, but is it possible to post the responses and your impressions on the website.

Kristen Keck agrees that the public needs more information in order to have confidence. We need to understand how everything fits together. She wants all the board members to know that she appreciates the work that they have done.

Tony Stone is fearful of what may or may not happen. He opines that the Board should open it up to more developers new parameters. He thinks the Board should reexamine it. Don responds and said that the board has done the work and you are suggesting that we do it again. Tony feels that with the DRI coming we should look at the bigger picture.

Jeff Yey states that six weeks is too short of a time frame. He asks how many projects Don has done. Don states that he has experience with city government and doing RFPs and that 6 weeks is customary. John states that he has worked for ESD and agrees the timing

Clark Weiman thinks that HDC has tied its hands and the agency should have multiple developers with varied parcels. Tom states that he agrees with Clark.

Mark Morgan Perez states that his background is in housing and real estate. Although it may be great to reopen the RFP it may scare away developers because there's no guarantee that it will actually happen. If they see a city or agency flip-flopping they will not want to invest. There are issues with scale if you divide them then they become less enticing financially. Although no one responded this way there was nothing in the RFP that states that they couldn't have split it up as you are suggesting.

Nicole suggests – as she is hearing that there are a lot of people that have invested money that are concerned about the aesthetic. Is it possible to invite these people and clients or investors that could shift some things around as far as the design and the business community.

Don addresses the smaller development question. One of the goals to achieve here was more housing. The proposals address how to maximize the housing.

Karla asks about the design again. Bob states that we aren't there yet. Karla thinks that we need to share the designs as it's based on the project.

Sheena suggests that a good way for the community to see the architecture firms that they work with.

Julie Metz says that it's not planning when we hand it over to the developer.

Linda is not convinced that 2 square miles can handle this multi-million dollar project. Urban renewal did a tremendous amount of damage.

Nick thanks the board for having the evening meeting. He asks if there is some sort of way to revise or redo the RFP. He cites Tim O'Connor's statement at a previous meeting that the soil and environmental were not accurate. Nick thinks that we need to consider the sustainability. Don remarks that we have been considering these aspects and gives an example from Reburn about their innovation. These developers are making a long-term investment.

Rick feels we move forward slowly. If we need to talk about a reissue of the RFP we should do that. John feels that there may be a legal issue with a reissue. We need to speak with legal counsel in order to determine if we can add on to it or amend it.

Sheena suggests that the Board may not want to start anything like a re-write until they have a full Board.

Nicole asks about the criteria for being a board member. Tom thinks the bylaws should address this. The board makes it clear that Sheena does not make the determination. Sheena would like to have all application in before the next board meeting.

Sheena will address all the legal concerns of reissuing with legal counsel.

2. Legal Counsel

John Friedman has been approached by a board member to be legal counsel for the negotiations with the CSX acquisition.

Tom reiterates that this is just for this.

Don MOTIONS to retain John Friedman for Legal Council for the CSX negotiation. Bob SECONDS. ALL in Favor.

3. Mayor MOTIONS to ADJOURN AT 7:08 PM. BOB SECONDS. ALL IN FAVOR. MOTION PASSED.