

HUDSON DEVELOPMENT CORPORATION



Board Meeting Minutes

November meeting held on December 1, 2020

12:00 AM

1 North Front Street, Hudson, NY 12534

PRESENT:

Bob Rasner
Nick Haddad
Paul Barrett
Phil Forman
Tom DePietro
Mayor Kamal Johnson
Carolyn Lawrence
Seth Rogovoy
Steve Dunn
Martha Lane
Kristan Keck
Chris Jones
Paul Colarusso
Pete Schram

ABSENT:

STAFF:

Branda Maholtz

- I. Call Meeting to Order: Bob calls the meeting to order at 12:00 PM.
- II. Minutes: October Meeting: Nick MOTIONS to accept the October minutes. Chris Jones SECONDS. ALL IN FAVOR. MOTION PASSED.
- III. Finance: Phil Forman
 - a. Monthly Finance Report: Paul Barrett MOTIONS to Accept the Financials. Pete Shram SECONDS. ALL IN FAVOR. MOTION PASSED.
 - b. Audit Updates: Audit is almost complete. Branda will be posting to Paris/ABO this week.

IV. Old Business: Bob addresses the board by thanking the committees for the work. And points out that we have to work in tandem with other entities to move forward. From Bob Rasner's Prepared Statement:

It is my intention to focus all of our energies today on the real estate opportunities presently on the HDC's agenda. My thanks to committee members who agreed to forego time on the agenda for this purpose. I emphasize, It is the mission of this corporation to sustain, promote and attract projects that improve economic opportunities for businesses and residents, create jobs and enhance the quality of life in the City of Hudson. Note no mention for real estate development, city planning, zoning, etc. Those responsibilities fall to others... public and private entities skilled and invested in those skills. In order that we all are on the same page allow me to review the present status of real estate projects we are presently undertaking.

MILL STREET: In August we sold this residential parcel for \$48,010. Closing on that sale is pending finalization of the title search.

MT. MERINO: We own approximately 3 acres of riverfront property on Mt Merino. As access is limited to an undeveloped road along the river's edge that requires crossing the CSX rail line, we have spoken to CSX. There is a difference of opinions between our counsel, Mr. Dunn and CSX counsel as the CSX requirement to provide access to the parcel. Although we may prevail in a legal discussion that discussion could prove to be lengthy and costly. I have therefore asked our secretary Paul Barrett to contact owners of property adjacent to our parcel to notify them it is our intention to sell that land at a seal bid auction at our earliest convenience. To move forward with this sale requires this Board's approval.

MONTGOMERY/FRONT STREET (KAZ) This parcel now consists of approximately 5 acres bounded by Montgomery Street on the North, Front Street and the West, residential properties on the east, and the City's long-term parking lot and rail spur on the South. When we purchased 8/10 of an acre from CSX one year ago we gained Front Street access, a very valuable asset for future development of the property. That purchase was made possible by a loan from the CEDC, a loan on which we pay interest only until October 2021.

Today I am asking this Board to approve sale of this parcel at a sealed bid auction, a minimum bid to be determined by the Board, but not less than \$2 million. To facilitate a smooth transaction I have authorized Mr. Barrett to retain a firm to undertake a title search immediately. Completion of the search would give confidence to bidders and facilitate closing without needless delay. Although there are parties that have expressed initial interest in the purchase, the State of New York requires we offer the property at a public sale as a first step. Should that fail to identify a buyer, we are then free to sell that land in a negotiated contract. It should come as no surprise that prospective purchasers, as long ago as my early days on this board, have always asked if the parcel had actual river frontage, noting that such a feature would add considerable value to the land. Of course, the land East of the site, is owned by the City... the Dunn Warehouse

parcel. Likewise, early developers saw opportunity to repurpose valuable acreage presently used by the City as Long term parking. We have received information to assist us in rethinking parking at the riverfront, suggestions that would include the existing long-term parking are for a more productive use, but retain ample parking to accommodate Amtrak passengers and residents and produce a revenue stream for the city.

Several opportunities now come to mind. In wrestling with the City's finances of late, Council President DiPietro has frequently offered sale of city owned real estate as one possible solution to the revenue shortfalls we are experiencing. Concurrent to those suggestions, the Mayor's office, late this summer, reached out to the HDC with regard to a cooperative effort with a developer of the Dunn site. Clearly, the KAZ parcel and the Dunn parcel are extremely valuable, and if joined, the two are worth more than the sum of the parts. To that end, I am today asking the Mayor to promptly enter into discussions with this Board to strategize joint sale of these parcels. This would require approval of a resolution by Common Council, similar to that approved two years ago authorizing sale of 427 Warren Street, the former police station. Will this be easy to accomplish? Each of you here today can answer that question from your own perspective.

Can such a bold move solve a serious financial problem for the City? Yes. Placing both parcels on the city tax rolls is overdue. To consider opportunities to do so is the responsible thing to do. In an effort to preserve the DRI funds allocated to development of this parcel we have met monthly with state officials. I every meeting we are encouraged (a civil word for pressured) to move forward promptly on sale of this land. I am sure Mr. Tucker of the CEDC would like to see the money his agency loaned us our back in circulation to assist other economic opportunities.

Last week I received a gracious correspondence from Betsy Gramkow in her role as Chair of the City Planning Board. I have shared the letter with your officers and we unanimously agreed to accept her offer to work diligently to see development of the KAZ area is in the best long-term interests of the city. It is a large undertaking, and I look forward to meeting with Betsy to plan the path forward.

To be clear, this Board needs to move forward promptly to divest itself of this property. We are not developers. We are not city planners. As mentioned at the onset, we are charged with neither responsibility in our Charter or ByLaws. To summarize, I am placing before you two decisions: 1. Authorizing the sale by sealed bid of our MT MERINO parcel. 2. Authorization the sale by sealed bid of the KAZ Parcel. We are prepared to develop the bid information on this parcel promptly. As suggested, I am asking the Board to consider a minimum bid of no less than \$2 million. As we now move to discuss these opportunities, I remind the board and the public members in attendance that there will be a Public Comments opportunity when the Board has concluded discussion and action. Thank you... the floor is now open for discussion on either Parcel.

a. Disposition of Montgomery Street Property: Board Discussion Bob is asking the board to approve a sealed bid auction of this property.

Bob states that no matter how we do this, not everyone will be happy. However, we know where our skills sets are and we want to get this back on the tax rolls and be of benefit to the city. Bob would like to proceed toward a sealed bid auction with a price no less than 2 million dollars. Phil concurs with Bob's comments about the project and being prudent in moving forward. This is an opportunity to make sure we fulfill our obligations, and create jobs in the city of Hudson. We want to ensure that our municipality/government is able to operate financially. Steve Dunn asks if we are doing contingencies on the sealed bid. Bob doesn't think that we will receive any offers without any contingencies. He feels that we should reach out and connect with the Planning Board to see what we should expect. Steve wants to have a claw-back clause, that if they have a PILOT or tax rebate, we would then get the property back. Nick opines that if no one responds or has an appropriate offer, we don't have to accept them and we can move to a negotiated sale. Nick feels the planning board can definitely be participatory, but it is HDC's role to work with the developer. We don't know until we "get it out there." Steve comments again that he wants a written document for the board to read and comment on before making any decisions. Phil comments that there are some people in the room may need additional information. Phil states that we are not bound to accepting any of the offers. It is a kicking off and way to get things started. We want to make the world aware that we are moving forward and want to get things done. Bob notes again that the council has also discussed the sale of city-owned property. He invites the Mayor to consider joining the Dunn Warehouse project with KAZ and developing the waterfront holistic. Mayor Johnson would like to have this discussion, as the city isn't interested in being landlords. Bob says that when we take Kaz to market it will be much more valuable with actual riverfront property. Nick points out that there are grant funds available, Mayor and Tom confirm that Dunn parcel has been awarded a Restore NY and DRI project as well. Tom states that an RFI went out and there was little interest. They will reissue a modified RFI. Branda asks about the type of project, whether the city wants to dispose of it. The current administration is open to possibilities. Nick gives brief background of thinking from previous administration. Carol asks about the bridge, and that is to be started this summer as confirmed by the Mayor.

The board is in agreeance that they will consider an offer with 2 Million minimum no contingencies. The board's committee for the disposition of KAZ will work to provide appropriate documents and communication moving forward.

Bob summarizes, that HDC wants to move forward in disposition of the KAZ parcel. This is an opportunity to solve some financial problems of the city and working with the city with their properties will be mutually beneficial. Bob requests that the committee start work immediately and meet with the Mayor's office to see what is possible.

Carole asks about Complete Streets project, the firm that did the work so far is presenting. Promenade is also breaking ground in the new year.

Bob wants to meet with City Admin immediately to see what we can do so we can report to the full board in a few week. Again, Bob thanks Betsy Gramkow and the planning boards offer for support and assistance moving forward.

b. Mt. Merino/CSX update: Paul Barrett & Steve Dunn: We've initiated conversation with CSX about the right of way, there is legal discussion that may be necessary. Bob has asked Paul Barrett to contact adjacent property owners to let them know we will do a sealed bid sale. He believes that it will be most valuable to the adjoining neighbor. We can still continue discussion with CSX. Paul will look into nearby land value. The board discusses the option of doing a negotiated sale or sealed bid. Phil MOTIONS to proceed with a sale of the Property not to exceed 100,000K. Paul Seconds. Majority In agreeance, one abstention. MOTION PASSES.

c. Mill Street Update: We are held up by the title company. Hoping that this will be cleared up by the end of the year.

V. New Business

a. December Meeting: Meeting is scheduled for December 22nd. It is ok with the board to keep this date and time.

VI. Public Comment: Bob comments that there have been parts of today's meeting that could have

Ronald Kopnicki asks about the partnership with HDC and City and the DRI committee as they have not been transparent. Bob is not clear on the role of the DRI Committee. Ronald asks the same question to Tom and the Mayor. He is very concerned about the lack of public meetings of the DRI Committee.

John Kane thanks the HDC board for its openness and transparency. He feels that there will be a lot of people that would be unhappy with the city sells any portion of the waterfront. Some of the city's financial trouble are because of the pandemic, some are perhaps self-imposed. Selling off without consideration may not be the best idea at this time.

VII. Adjournment: Paul Barrett Motions to adjourn 1:10 PM. Steve SECONDS. ALL IN FAVOR. MOTION PASSED.