

HUDSON DEVELOPMENT CORPORATION



Board Meeting Minutes
October 27, 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

ABSENT:

Paul Colarusso
Pete Schram

STAFF:

Branda Maholtz

- I. Call Meeting to Order- Robert Rasner calls meeting to order at 12:04 PM.

- II. Minutes: September Meeting: Nick MOTIONS to accept September minutes. Chris Seconds. ALL IN FAVOR. MOTION PASSED.

- III. Finance: Phil Forman
 - a. Monthly Finance Report: Phil MOTIONS to accept financials. Nick Seconds. ALL IN FAVOR. MOTION PASSED. Steve abstains.
 - b. 2021 Budget: Phil MOTIONS to Accept 2021 Budget. Nick SECONDS. ALL IN FAVOR. MOTION PASSED. Steve Abstains.
 - c. Annual Audit Draft Presentation from UHY:

Matt Vanderbeck from UHY presents the draft audit to the board. This is the first year with their firm, so we need to go in further depth than we will in future years. There are a few “emphasis of matters” including some adjustments from the previous auditor. There are uncertainties because there are reductions in net assets. He is not issuing a going-concern as we have property to sell that will help operating functions. He also is making sure we are using the governmental standards for auditing, as the previous auditor did not do this. Steve Dunn points out that there is a Note 9 that says we do not have a lien on Kaz, however we do have a blanket lien for all three parcels on Montgomery Street. Matt points out that we have had properties for sale and properties listed for leasehold improvements. He clarifies that property for sale—should be for sale in the next year. Paul Barrett asks about sale value versus assessed value. Matt states that we need to have fair value and we need to consider if there is value increase or decrease. If another property sold, you wouldn’t change the value, it would only be shown as a gain.

Long term liability of 200,000 prepaid 10K in interest. Overall loss of about \$96K, some of which is depreciation. With use of about 27K in cash spending.

For other ongoing issues, Branda will provide PPP loan forgiveness paperwork and other information about Mill Street including closing agreement.

Matt comments that there are material weaknesses in internal control. He expects that we will go forward with their advice and support.

Steve wants to make sure we look forward to being prepared to renew the lease.

Phil MOTIONS to Accept Draft Audit. Paul Seconds. ALL IN FAVOR. MOTION PASSED.

IV. Old Business

a. Mill street closing on November 1. we will get closing statement from legal to the auditor as well.

b. Workforce Development—Coding Program: Carolyn Lawrence: Looking to get at least 2 people into a coding class. Carolyn noted that we weren’t able to get participants in the last round with the Albany County class. We need to get a cohort that we can fund ourselves. We hope to do this by the end of November, but Martha feels that we could do this in collaboration with other organizers. It is a big time commitment for the participants.

c. Empire State Development meeting report: Bob reports that the board officers and ESD had a meeting to keep them up-to-date with our work before the meeting how we intend to proceed to keep everything moving forward with Kaz and its development. Branda suggests that we do a sealed bid to move forward responsibly with community needs in mind for the development’s success. Bob states that we need to put the parameters together for sealed bid, or the “RFP” light in order to move quickly and legally. We can use the DRI money as leverage for bidders, but it is possible that a developer would not want to use it. Seth asks if there is a consultant or someone who can take us through the process so that we aren’t guessing at everything. Nick points out that we need to vet and be aware but we don’t want to end up in the same situation

as we were with the last RFP. Bob reminds the board that we have a responsibility to CEDC with our loan and we need to be aware that we need to move forward.

d. Disposition of Montgomery Street Property: Nick Haddad

i. Options for disposition: we asked Steve Dunn to take a close look at our property disposition policy. He came to the conclusion that we can do a below market sale and justify through a failed sealed bid or we can go through a sealed bid. We need to have a new appraisal. Bob reports that he and Nick also spoke to some commercial broker. Nick states that the broker's concurred with our appraiser's hesitation to put a market value on the property. He feels that the value of the property will be dictated by us and the developers. He feels a negotiated sale is the best and acknowledges that ESD is keen for us to continue participation with the project in regards to DRI funds as well. It appears that we will need to go through sealed bid process, the board agrees.

1. List with a commercial broker
2. Seal Bid
3. Auction

ii. Establish price (Executive session): Nick MOTIONS to go to executive session at at 1:23 PM to discuss sale price/sealed bid minimum. Phil Seconds. All in favor. Phil MOTIONS to return from executive session. Martha Seconds. ALL IN FAVOR. MOTION. Board returns from executive session at 1:47 PM. No sealed bid price is set. The board will draft parameters for bidders and an accurate description of the property/sales package.

d. Mt. Merino/CSX update: Paul Barrett & Steve Dunn: Steve spoke with CSX contact person. Steve states that there was a clause about easement since the property is landlocked. However, he hasn't heard back from them yet. He feels that an easement will make the property much more saleable. He thought there was a path to establish that we are legally gain the easement.

V. New Business

a. Warren Street Holiday lights: We are purchasing one half of the fairy lights needed to decorate Warren Street for the winter. The city's budget did not allow for this given the current need to cut discretionary spending. We wanted to help the city and our community. Steve done asks that we inquire with the entire board before taking such action in the future.

b. Nick and Bob have had a conversation with someone from who has retired from Dept. Of transportation. She is willing and able to help HDC gain knowledge and information in consideration of new projects and waterfront development. As the city moves forward with complete streets project from DRI as well as Dunn warehouse or other events, we need to understand the impact on the waterfront and traffic. Susan Knauss is willing to work as a volunteer with the board. For example, she can help us understand GPS routing, traffic impacts, etc.

VI. Public Comment: Ronald Kopnicki asks about the DRI committee as they are not open to the committee. He refers to their minutes with reference to the Dunn warehouse. Bob clarifies

that he responded to the Mayor's Aide about a potential developer wanting to develop the entire waterfront with Dunn warehouse. Bob looked at Bonacio's RFP response as well, and he responded to the city that it was premature to have such a discussion. Ronald stresses that he feels that the City's DRI meeting should be open to the public.

VII. Adjournment: Chris MOTIONS to adjourn. Nick Seconds. All ion Favor. MOTION PASSED. The board adjourns at 2:12 PM.