

# KLDC

## KINGSTON LOCAL DEVELOPMENT CORPORATION

*Hon. Shayne R. Gallo, President*

*Jennifer J. Fuentes, Executive Director*

*Brenna L. Robinson, Portfolio Manager*

### MEMORANDUM

BOARD OF DIRECTORS - KINGSTON LOCAL DEVELOPMENT CORPORATION

JAMES NOBLE, CITY OF KINGSTON ALDERMAN AT LARGE

CARLY WILLIAMS, CITY CLERK

JENNIFER J. FUENTES, KLDC EXECUTIVE DIRECTOR / COMMUNITY DEVELOPMENT EXECUTIVE DIRECTOR

AMANDA L. BRUCK-LITTLE, KLDC RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT

BRENNA L. ROBINSON, KLDC PORTFOLIO MANAGER / ECONOMIC DEVELOPMENT COORDINATOR / ZONE COORDINATOR EZ

GREGG H. SWANZEY, DIRECTOR OF ECONOMIC DEVELOPMENT FOR STRATEGIC PARTNERSHIP

SUZANNE CAHILL, CITY PLANNER

MICHAEL F. JORDAN, ESQ., COUNSEL KLDC

DANIEL MARSH III, NATIONAL DEVELOPMENT COUNCIL DIRECTOR

DAILY FREEMAN, 79 HURLEY AVENUE, KINGSTON, NY 12401

WKNY, PO BOX 1398, KINGSTON, NY 12402

WGHQ, 82 JOHN STREET, KINGSTON, NY 12401

BRIAN JONES, WPHD/WCZX/WEOK/WRRV, PO BOX 416, POUGHKEEPSIE, NY 12602

POSTMASTER, KINGSTON PO BOX 9998, KINGSTON, NY 12402-9998

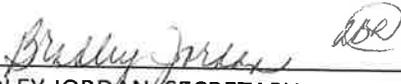
**FROM:** SHAYNE R. GALLO, MAYOR/PRESIDENT OF KLDC BOARD OF DIRECTORS

**RE:** KINGSTON LOCAL DEVELOPMENT CORPORATION BOARD MEETING

Please be advised that a meeting of the Kingston Local Development Corporation will be held at **8:00 a.m., Thursday, January 17, 2013**. Said meeting will be held in the Mayor's Conference Room, City Hall, 420 Broadway, Kingston, NY 12401.

### AFFIDAVIT OF MEETING:

I, Bradley Jordan, Secretary for the Board of Directors of the Kingston Local Development Corporation, did on the **4<sup>th</sup> day of January, 2013** mail this notice to the individuals listed above. Mailing was accomplished by sealing said notice in an envelope and depositing same, with postage thereon, full pre-paid, with the United States Post Office.

  
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BRADLEY JORDAN, SECRETARY

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### **AGENDA**

Thursday, January 17, 2013 @ 8:00 a.m.

1. Call to Order
2. Portfolio Review & Past Due Account Update
3. General Business
4. New Business
3. Committee Reports
4. Approval of Minutes of Previous Meeting
5. Adjournment

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**January 17, 2013**

**PRESENT:**

BOARD MEMBERS - President Gallo, Vice President Dwyer, Secretary Jordan, Potter, Turco-Levin, Mathews, Reinhardt & Rev. Childs

KLDC EXECUTIVE DIRECTOR /COMMUNITY DEVELOPMENT EXECUTIVE DIRECTOR - Fuentes

KLDC RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT - Bruck-Little

KLDC PORTFOLIO MANAGER & ECONOMIC DEVELOPMENT COORDINATOR- Robinson

ECONOMIC DEVELOPMENT AND STRATEGIC PARTNERSHIP DIRECTOR - Swanzey

PLANNING- Cahill

KLDC COUNSEL – Jordan

**ABSENT:**

BOARD MEMBERS – Treasurer Mills & Fitzgerald

Meeting was called to order by vice President Dwyer at 8:02 am (President Gallo joined meeting at 8:10 am).

**NYSABO POLICIES** - Ms. Fuentes started the meeting by reviewing all policies the KLDC is required to have per the New York State Authorities Budget Office (NYSABO). She said the Governance Committee had met and there is a committee report reflecting said meeting. During this meeting they reviewed policies and there is one slight modification to the Investment Policy which was the same policy as the City of Kingston's. The City has updated their policy for 2013 so Ms. Fuentes has supplied all Board members with both the previous version as well as the new version set forth by the City for their review. In terms of compliance the KLDC is also required to have a Procurement policy and the KLDC had in the past chosen to adopt the City's policy as well. The Governance Committee had made a recommendation to approve as presented and allow for modifications. They would like to see some samples of the Ethics and Whistleblower Policies from other LDC's. Ms. Turco-Levin said they would like to review the current Mission Statement and adjust it over the course of the next month or so. Ms. Fuentes told the Board there is an exercise that needs to be completed by each Board member that helps aide in the measurement of compliance of all the policies and in part, the Mission Statement. Each Board member is required to complete the Board of Directors Evaluation form and return to the KLDC staff so they can forward results to the NYSABO. The Board discussed the policies and stated that they wanted the policies to bear the name of the KLDC, not the City of Kingston as the KLDC is a separate entity. All policies on paper and the website will be changed accordingly to reflect the change in name. The Board would like to see requirements of receiving a loan to be spelled out clearly within the charter. The Mission statement is a broader policy which will also encompass a Governance and Finance policy. A motion was made by Mr. B. Jordan to adopt all policies *except* for the Mission Statement as that policy has been tabled until the next Board meeting. Second by Ms. Potter. Motion carried.

Each Board member and staff received Acknowledgement of Fiduciary Responsibility forms to be signed and returned to staff as they are required to be on file for the NYSABO.

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**LOAN REPORTS** – The Board was handed a loan report packet showing all past, current and delinquent loans. Ms. Fuentes told the Board that one of the requirements of the NYSABO was to post the Portfolio (all loans) on the website. Some members of the Board are uncomfortable with this and have asked to see that requirement in writing prior to any posting of the loans on the website. Ms. Fuentes informed the Board that all loans were public information and the Board has to comply with NYSABO and also said she would be sure to get them a copy of the requirement in writing for their review.

**Villa Carmella** – They have not made any payments and have re-opened their doors for business and seem to be fully functional. Ms. Fuentes has not heard anything from their bank but last time she did hear from the bank, they were moving forward with foreclosure. President Gallo said when he last spoke with the Saava's, they were going to go back to their bank to try to work out their financing and then get back in touch with the KLDC by December to let them know what the outcome would be. President Gallo told Ms. Fuentes to get in touch with them to find out what is going on.

**A.P. Ferraro** – Prior to last months meeting Ms. Fuentes had been in touch with Mr. Ferraro and relayed to the Board his desire to commence payments and in order to catch up would make an additional \$200 payment above his regular payment. The Board, as documented in the December 2012 minutes agreed to Mr. Ferraro's proposal. Ms. Fuentes told the Board that as of this meeting Mr. Ferraro has not made any effort to make payment.

**Spada** – President Gallo said that it was his understanding that Mr. Spada was in the process of probably redeeming his property, coming current with his taxes, and paying back the KLDC. He's in the process of allegedly refinancing and President Gallo was told it should be done this month.

The Board had questioned whether or not the bad debts should be written off. Ms. Fuentes said the Finance Committee should look at the loans individually and make their recommendation as a committee to the Board for a vote.

**Rositas** – President Gallo reiterated Mr. Melkesetian had filed Bankruptcy, Chapter 11 giving an automatic stay. The next step in that process is to meet with the creditors in Poughkeepsie where a Trustee will be assigned. Mr. Melkesetian is also due back in court soon regarding not obtaining a permit.

**Seven21** - Congressman Gibson is locating his office to Seven21 thus putting Seven21 at near full capacity. They should be in a position to make payments to the KLDC as they are generating income. They haven't made any effort to do so therefore, President Gallo told Ms. Fuentes to call the Ellenbogen's today telling them the KLDC wants an assignment of rents and to put them on notice. He also spoke of reprogramming the micro loan funding that had been put in place to help businesses located within Seven21 and using it to help other businesses along the Broadway corridor. After much discussion a motion was made by Rev. Childs to give Mr. M. Jordan the authority to do what he deems necessary and take whatever action needed to proceed accordingly. Second by Ms. Potter. Motion carried. Mr. M. Jordan told the Board he and Jen would draft the letter together and have President Gallo review it prior to being sent to Seven21 Media.

**KRNH** – Their reserve of approximately \$58K had been liquidated over the summer due to lack of response and lack of payment leaving their balance at approximately \$67K.

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**Casa Villa**- Since the KLDC subordinated his loan in October 2012, Mr. Villa has not made any payments.

**Fitch Realty** – Sometime last year they reached an agreement with previous Portfolio Manager about coming current with their loans as they are pretty far behind. They had been making payments but have recently fell behind, again. Ms. Fuentes will be sending them a letter.

Ms. Fuentes has had conversations with some of the banks and the value some of the outstanding loans and given their higher positions, there is isn't anything left to be able to pay-off the loans given by the KLDC.

There are three mico-loans that have never been paid off so they too should be looked at and given consideration to be written off.

The Finance Committee will review all severely delinquent loans and come back to the Board with their recommendation on how they feel the Board should proceed whether it be to move to collections, foreclosure proceedings or to write them off.

**Valerie Mayone**- A letter was sent to her attorneys, her bankruptcy is no longer and Ms. Fuentes has nothing else to report regarding this loan at this time. The restaurant that had been known as Valerie's had been foreclosed on by Rondout Savings Bank and is now under new ownership. Mr. M. Jordan informed the Board, the KLDC still has a lien on the Kozy and that is still in the estates name. The Board asked if the taxes were up to date on the Kozy. That information was not readily available but will be looked into.

**Historic Kingston Marina** - They had contacted Ms. Fuentes, letting her know of their frustration regarding a letter they got about their loan and lack of principal payments on said loan. They have paid every bill they'd been sent (they were for interest only) they have never been asked or invoiced a principal payment until now. Ms. Fuentes had searched the file and concurred she was unable to find documentation relating to principal payments either. Ms. Fuentes feels confident she will be able to come to an agreement where Historic Kingston Marina will begin paying on the principal. President Gallo told Ms. Fuentes to send them a letter demanding payment and to pay down on their loan. Mr. M. Jordan asked to have a copy of the loan document sent to him for his review to see what the terms of the loan were supposed to be. Ms. Fuentes said this loan was not yet in permanent financing. A motion was made by Mr. Reinhardt to give Mr. M. Jordan the authority to do what he deems necessary and take whatever action needed to proceed accordingly. Second by Mr. B. Jordan. Motion carried.

**SIGNATURE FITNESS** - Mr. M. Jordan disclosed to the Board that he personally represents John Perry of Signature Fitness and though legally able to represent both Mr. Perry and KLDC for the closing, would not have a problem if the Board wanted to hire another attorney for this particular closing. The Board said they felt there was no reason to do so. Mr. M. Jordan told the Board he would excuse himself from the discussion of this loan and stepped outside of the meeting room.

Ms. Potter said she spoke with Mr. S. Jordan of Rondout Savings Bank (RSB) yesterday and he told her that even though this loan had not yet been brought before the RSB board he recommended to her that the KLDC should have their vote and if in agreement of approving the loan from the KLDC, could make it contingent on the RSB Board approving the loan through their bank. He lead Ms. Potter to believe he thought it would be

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approved by the banks committee and was waiting for the appraisal to come in. Another Board member stated he heard there were some issues with documentation that had been submitted. The issue at hand with RSB is some documentation has the name John Perry while other documentation has the name Felix John Perry. This is in-fact the same person but he needs to rectify this with RSB before they will move forward. After a very lengthy discussion a motion was made by Ms. Potter grant Mr. Perry's loan request of \$17,900 based on the following: the loan to be cut back from 10 years to seven years; to put a second mortgage on his personal residence; accept assignments of rents; and the KLDC's approval is contingent the approval of his loan request through RSB and taking it to closing as well as the KLDC's approval of loan terms. Second by Mr. Reinhardt. Mr. B. Jordan abstained. Motion carried.

Mr. M. Jordan rejoined the meeting after the Board voted on the Signature Fitness loan request.

**A Kingston Bed & Breakfast** - The Board had previously requested Ms. Kowalska modify her loan request. She has since re-submitted her request. The Finance Committee will review her revise request at their next committee meeting and then present their recommendation to the full Board in February.

**Bank of America** - Mr. M. Jordan told the Board the BOA been closed on. We've paid the monies due to Bank of America and the deed should be filed. The KLDC is now responsible for payment of all taxes due. At this point the KLDC needs to find out the City's plan in regards to the potential use of the building as the Police Station.

**Signature Cards/Bank Accounts** - During each new Administration and when there are new hires to specific positions signature cards must be updated at the banks in which there are active accounts. Currently the signatories for the KLDC at Ulster Savings Bank are Daniel Mills, Virginia Finch and James Sottile. Ms. Potter suggested that a Board Member who is not an employee of the KLDC or City of Kingston be added to the signatory card as well. The Board agreed that would be an excellent idea. A motion was made by Ms. Potter to have those names removed and to make the new signatories be designated as Shayne Gallo, John Dwyer, Sr., Jennifer Fuentes & John Tuey. Second by Ms. Turco-Levin. Motion carried.

**Request For Qualifications (RFQ) for Consultant** - Ms, Fuentes told the Board that within the packets of information they all received today, she also included a copy of the RFQ that was published and that they were due back by February 1, 2013.

A motion was made by Ms. Potter accept minutes of previous meeting. Second by Ms. Turco-Levin. Motion carried.

At 9: 29 AM Ms. Potter made a motion to adjourn. Second by Mr. Reinhardt. . Motion carried.

Respectively Submitted,



Amanda L. Bruck-Little  
Recording Secretary