

KLDC

KINGSTON LOCAL DEVELOPMENT CORPORATION

Hon. Shayne R. Gallo, President

Michael F. Murphy, Executive Director

MEMORANDUM

BOARD OF DIRECTORS - KINGSTON LOCAL DEVELOPMENT CORPORATION

JAMES NOBLE, CITY OF KINGSTON ALDERMAN AT LARGE

CARLY WILLIAMS, CITY CLERK

MICHAEL F. MURPHY, KLDC EXECUTIVE DIRECTOR / COMMUNITY DEVELOPMENT EXECUTIVE

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

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

SUZANNE CAHILL, CITY PLANNER

BRENNAL. ROBINSON, ECONOMIC DEVELOPMENT COORDINATOR / ZONE COORDINATOR EZ

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, March 8, 2012**. 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 **27th day of February, 2012** 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.



BRADLEY JORDAN, SECRETARY

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AGENDA

Thursday, March 8, 2012 @ 8:00 a.m.

1. Call to Order
2. Approval of Minutes of Previous Meeting from December 15, 2012
3. Portfolio Review
4. Loan Request of \$165,000 – Matteo-Bella, LLC
5. Loan Request of 25,000 – DFC Dist., LTD
6. Benedictine Health Foundation Discussion
7. Adjournment

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March 8, 2012

PRESENT:

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

KLDC EXECUTIVE DIRECTOR /COMMUNITY DEVELOPMENT EXECUTIVE DIRECTOR - M. Murphy

KLDC EXECUTIVE DIRECTOR /COMMUNITY DEVELOPMENT EXECUTIVE DIRECTOR - Fuentes

RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT - Bruck-Little

CITY PLANNER - Cahill

ECONOMIC DEVELOPMENT AND STRATEGIC PARTNERSHIP DIRECTOR - Swanzey

ECONOMIC DEVELOPMENT COORDINATOR- Robinson

BOARD ATTORNEY - M. Jordan

ABSENT:

BOARD MEMBERS - Treasurer Mills & Mathews

Meeting was called to order by President Gallo at 8:13 am.

A motion to accept the minutes from the previous meeting of January 26, 2011 was made by Mr. Fitzgerald and second by Vice President Dwyer. Motion carried.

President Gallo introduced Andi Turco-Levin whom he has appointed to the Board of Directors and Jen Fuentes who will be replacing Michael Murphy who will be retiring in June.

At 8:19 am a motion was made by Secretary Jordan to enter Executive Session to discuss the financials for the loan requests from Matteo-Bella, LLC. , DFC Dist., LTD and Portfolio Review. Second by Mr. Reinhardt. Motion carried.

At 9:25 am a motion was made by Mr. Fitzgerald to exit Executive Session. Second by Vice President Dwyer. Motion carried.

LOAN REQUESTS:

Matteo-Bella, LLC- Messrs. Frank Guido, Mark Guido and Sal Guido have been working with M. Murphy, Rondout Savings Bank (RSB) and New York Business Development Council (NYBDC) putting a finance package together. They have submitted an application for a loan in the amount of \$165,000 to assist them with their purchase of 14 Thomas St. Their existing loan has a balance of \$71,500 and would be piggy backed by new money \$93,500 having an amortization of 20 years. The building consists of a four stories; the ground floor containing their restaurant, Little Italy and six apartments on the top three floors. Mr. Frank Guido has been a successful restaurateur for over 40 years; both Mr. Mark Guido and Mr. Sal Guido have been in charge of day to day operations over the past 4-5 years at two of their three locations (Mariner's Harbor and Little Italy). Staff recommended approval of their loan request based on the strong cash flow of the building, the

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borrowers proven track record in restaurant management as well as their excellent payment record. In addition, the KLDC will have a third mortgage on the property being purchased as well as key life insurance on Mr. Mark Guido and Mr. Sal Guido. A motion was made by Mr. Fitzgerald to accept the recommendation of staff and to approve the KLDC loan in the amount of \$165,000 pending the approvals of both the RSB and NYBDC. Second by Vice President Dwyer. Secretary Jordan abstained. Motion carried.

DFC Distributors, LTD- DFC Distributors, LTD is a packing and bottle distribution company. Their primary product line is Olio D'Oro, an imported Italian Olive Oil and their second is Bronx Soda Pop, an old-style fountain beverage soda both of which are sold throughout the Bronx and Ulster County. The owners, Nicholas D'Aragona and Tony Vanacore currently operate their business from 85 Grand St. DFC Distributors, LTD intends to secure real estate in the City of Kingston within the next 12 months in their effort to create a Hudson Valley brand packing and distribution plant. They have submitted an application for a loan in the amount of \$35,000 having an amortization of 4 years. Staff recommended approval of their loan request based on management's proven record in terms of year after year growth. The company projects the creation of 6 jobs the first year with a potential to hire 20 more employees within a 2-3 year period.

A motion was made by Secretary Jordan to accept the loan request as presented by staff and approve the KLDC loan in the amount of \$35,000. Second by Mr. Fitzgerald. Motion carried.

The Board had a lengthy discussion regarding future loan requests and the procedures that should be taken to assure the applicant is also credit worthy. They requested the Executive Director to look into credit reporting and the options the Board would have. All future loan requests will be required to have a credit report accompanied by all other required financial statements.

PORTFOLIO REVIEW:

Armor Dynamics(ADI)- Armor is currently in arrears for both their February and March payments. There are still many questions surrounding both their employment and production. President Gallo would like to have a site visit arranged for a walk through. A motion was made by Secretary Jordan to have Attorney Jordan prepare and send a letter to ADI putting them on notice and informing them of their need to attend the next KLDC Board meeting; and to have M. Murphy follow up on said letter of notice and have ADI put on the agenda of the next meeting. Second by Vice President Dwyer. Motion carried.

Rosita's – M. Murphy confirmed Ulster Savings Bank should be taking possession of Rosita's by the end of April of this year. The amount owed to KLDC is \$195,000 plus interest and the debt to the bank is approximately \$900,000 with loans, interest and taxes. Should the property not be sold immediately and is put up for auction, the KLDC should be in position to have funds readily available to bid. M. Murphy informed the Board that the financing capabilities are in place. The Board discussed the possibility of Mr. Melkesatian turning over the deed in lieu of foreclosure. A motion was made by Mr. Jordan to have M. Murphy contact Mr. Melkesatian to inquire about his willingness to turn over the deed in lieu of foreclosure. Second by Ms. Potter. Motion carried.

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Noah Hotel/Charles Blauchman – Ms. Robinson explained to the Board she has contacted both the Contractor (Collarusso) and the Environmental Group who was supposed to be conducting the soil testing. She has left messages and has not received a return call. President Gallo asked her for the contact information as he too will try to get the situation resolved. The Board again, discussed the fact that the issue of the spreading of the soil on Mr. Blauchman's property by an independent contractor has nothing to do with the KLDC and that the KLDC should be made whole. Attorney Jordan asked to have the note forwarded to him for his review. A motion was made by Secretary Jordan to have Attorney Jordan write to Mr. Blauchman informing him of the Boards intent to legally move forward and demand payment. Second by Vice President Dwyer. Motion carried.

Michael Spada, Jr. - M. Murphy informed the Board that since the previous Board Meeting, the prospective buyer for 311 Wall St. property has backed out due to Mr. Spada adding an additional \$160,000 to the selling price. In addition, a second mortgage in the amount of \$160,000 was recently recorded on the property. The prospective buyer was ready to close and begin renovations immediately. A motion was made by Ms. Potter to have Attorney Jordan send a letter to Mr. Spada notifying him he has 30 days to have a contract of sale signed with a credit/ income worthy individual(s) or business. After 30 days, if there is not a signed contract submitted, KLDC will resume moving forward on the foreclosure proceedings immediately.

At 9:48 am a motion was made by Vice President Dwyer to adjourn. Second by Rev. Childs. Motion carried.

Respectively Submitted,



Amanda L. Bruck-Little
Recording Secretary