

# 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  
AMANDA L. BRUCK-LITTLE, KLDC RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT  
BRENNAL. ROBINSON, KLDC PORTFOLIO MANAGER, ED 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

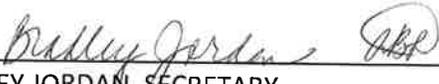
**FROM:** SHAYNE R. GALLO, MAYOR/PRESIDENT OF KLDC BOARD OF DIRECTORS

**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, November 15, 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 **1<sup>st</sup> day of November, 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

# KLDC

## KINGSTON LOCAL DEVELOPMENT CORPORATION

---

*Hon. Shayne R. Gallo, President*

*Jennifer J. Fuentes, Executive Director*

*Brenna L. Robinson, Portfolio Manager*

### **AGENDA**

Thursday, November 15, 2012 @ 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

# KLDC

## KINGSTON LOCAL DEVELOPMENT CORPORATION

---

*Hon. Shayne R. Gallo, President*

*Jennifer J. Fuentes, Executive Director*

**November 15, 2012**

**PRESENT:**

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

KLDC EXECUTIVE DIRECTOR /COMMUNITY DEVELOPMENT EXECUTIVE DIRECTOR - Fuentes

KLDC RECORDING SECRETARY / ADMINISTRATIVE ASSISTANT - Bruck-Little

ECONOMIC DEVELOPMENT AND STRATEGIC PARTNERSHIP DIRECTOR - Swanzey

KLDC PORTFOLIO MANAGER & ECONOMIC DEVELOPMENT COORDINATOR- Robinson

PLANNING- Cahill

KLDC COUNSEL – Jordan

**ABSENT:**

BOARD MEMBERS – Treasurer Mills

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

Ms. Fuentes told the Board she had invited A Kingston Bed & Breakfast – Thomas L. Southwick House owner, Alicia Kowalska to come before the Board to give them some background information on her business in relation to her request for two loans as she has two separate projects she is working on. Though her application is incomplete, both Ms. Fuentes and Ms. Robinson have been working with Ms. Kowalska for many months. Ms. Robinson has been working with Ms. Kowalska on her business plan. Ms. Kowalski already has a first mortgage and a home equity loan. Mr. Mathews inquired as to how many full time jobs would be created and Ms. Robinson said there would be a creation of three full time jobs and three part time jobs. There would be a manager/bookkeeper to assist her in both businesses, a cleaning person and part-time chef for the B&B, full-time chef/grill person, full-time server and part-time delivery person for the cafe.

The Board had requested that in the future applicants do not come before board prior to having all of their paperwork, (including financials) in order, a business plan, intent for job creation and other financing in place and a loan report and staff recommendations. Without a complete package for the Board to review prior to applicants coming in is not a good use of time and could lead applicants down a road a despair. Since the current applicant was asked to come in, the Board had decided to let her explain her project and what she is requesting. Once the Board receives her completed packet she may or may not need to come back before the Board.

Ms. Turco-Levin asked if these projects have been put before the planning board and Ms. Cahill said the applicant has been before the Planning Board for the B&B but not for the Café.

Ms. Kowalska was brought into the meeting and everyone introduced themselves. Ms. Kowalska opened her B&B last year and has put all of her savings into the B&B. The business has shown both progress and profit since Memorial Day weekend.

# KLDC

## KINGSTON LOCAL DEVELOPMENT CORPORATION

---

*Hon. Shayne R. Gallo, President*

*Jennifer J. Fuentes, Executive Director*

She's looking to borrow a total of \$75K. She would like to renovate another bedroom with bathroom. She currently has four bedrooms and four baths. Rooms range in price from \$150-\$250 per night and in order to increase revenue with current flow of business she could possibly raise rates between \$25-\$30 per night. Other repairs needed are; heat for current bathrooms, soffit and gutter replacement, repair of porch and driveway. She feels \$50K would cover those expenses.

She has an opportunity to purchase Ashley café. It is run down and is in need of work. The café would be open Mon-Fri 7:00am to 3:00pm and since most of her B&B business is afternoons and weekends, she feels this would be a perfect opportunity for her and she would be able to run both businesses. She would like to put the same logo on the café as on the B&B. The additional \$25K would be used for the café.

President Gallo asked how she advertises for her B&B and what is rate of occupancy. She has a European market, works with Booking.com, Hunter and Belleayre Mtns., website and word of mouth. She's had over 600 guests at her B&B since September.

The Board thanked Ms. Kowalska and she left with the understanding that she must submit all necessary documentation before the Board can move on her request.

**Bank of America-** Ms. Fuentes told the Board the Environmental Report was back and each of them received a copy of it for their review. She said worst case scenario would be around \$65K. The largest amount of that would be if the vaults in the basement were to be disrupted and if they were not, then the amount would be less. Ms. Fuentes thought the Bank of America had finalized everything but Mr. M. Jordan said he was unaware of whether or not they had. He suggested that Ms. Fuentes contact the bank and indicate to them that he would meet with President Gallo and Andrew Zweben to review the final draft the week of Nov 26<sup>th</sup> and then get the contract signed soon after. So he would like something set up either Wednesday or Thursday of that week. It is unclear as to whether or not the bank has the final draft as of yet but should by then. President Gallo said the Police Commissioners, Chief Tinti and himself have concerns with what the state wants in terms of expansion of the current court at Garraghan Drive. The cost of renovations per the state's specs are in the range of \$2M. The state pays for salaries and operation of the courts but the City has to maintain the property and in turn the City will receive approximately \$40K. Unfortunately the City would be responsible for the cost to renovate and put a new courtroom in but the state will not repay the city one dime. The state has a formula so if the City bonded to complete said work at Garraghan Drive, the city would get something like 5% on the interest coming out to be about five figures. He just wants all involved to understand and be aware of the costs involved. He does not want to put the Board or the City in a situation where the cost of a new court and jail would exceed the costs projected or the cost of the new Police Station. The Board questioned whether or not there would be any issue with them buying the building and then selling to someone else should the project at hand not come to fruition. President Gallo asked Mr. M. Jordan if there was a covenant or other language within the agreement that would prohibit a resale. Mr. M. Jordan said though he didn't see anything in the agreement but he will look into it and will check to see if there are any restrictions for the future. Mr. Mathews asked a two part question; What would the exposure to the KLDC be in regards to the 108 loan? President Gallo said the debt service would have to be paid back with CDBG funds. How much would the 108 loan be for? President Gallo said he wasn't sure of the exact amount as the architect who has at least 100 hours into the project already has to send someone else in who has experience

# KLDC

## KINGSTON LOCAL DEVELOPMENT CORPORATION

---

*Hon. Shayne R. Gallo, President*

*Jennifer J. Fuentes, Executive Director*

with these types of projects to price it out per square foot.

A motion was made by Mr. Mathews that contingent on an executed agreement with the BOA and the KLDC, the Board authorizes payment up to \$7K for the final plans. Second by Mr. Fitzgerald. Motion carried.

### **Loan Request-**

- Signature Fitness has a business plan but has not yet submitted their application.
- Burgevin has made inquiries but has not yet presented anything to staff.
- Dibella's has everything they need but has not yet submitted it to staff.

Ms. Potter asked to have the record reflect that the Finance Committee had met and during said meeting they reviewed request from Jose Villa (Casa Villa) to have his interest reduced. He felt that since the banks have lower rates he should be able to get a lower rate through the KLDC. The committee said he should have submitted his request for consideration when he requested the subordination of his current loan. The committee denied his request.

**Insurance-** Ms. Fuentes told the Board the insurance policy for the Kingston Business Park is up for renewal December 10, 2012. She has met with Ray Guerin and they have discussed coverage and the increase of the policy by \$300. A motion was made by Ms. Potter to pay the increase of the renewal. Second by Vice President Dwyer. Motion carried.

**Keegan Ales-** The bank has contacted Ms. Fuentes to subordinate their loan because they want to refinance. Ms. Fuentes said she feels they will be paying off their existing loan with the KLDC.

**Armor Dynamics** – The KLDC was named in the paper for non-payment of taxes. The Board expressed their concerns over the years of not be completely apprised of what transpires with ADI. The Board wants a letter to be sent to them explaining that when they do not pay their taxes, the KLDC appears in the paper for non-payment and according to their contract they are to be keeping tax payments up to date as well as their monthly payments. Ms. Fuentes will look at contract. A motion was made by Mr. Mathews to send a letter giving 60 days notice to demand payment of taxes and to come current with KLDC or the KLDC will begin foreclosure proceedings. Second by Secretary Jordan. Motion carried.

A motion was made by Ms. Potter to accept minutes of previous meeting. Second by Mr. Mathews carried.

At 9:58AM Vice President Dwyer made a motion to adjourn. Second by Secretary Jordan. Motion carried.

Respectively Submitted,



Amanda L. Bruck-Little  
Recording Secretary