

KLDC

KINGSTON LOCAL DEVELOPMENT CORPORATION

Hon. Shayne R. Gallo, President

Amanda L. Bruck-Little, 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

AMANDA L. BRUCK-LITTLE, KLDC EXECUTIVE DIRECTOR / KLDC RECORDING SECRETARY /COMMUNITY DEVELOPMENT FINANCIALS

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

GEORGE W. REDDER, ESQ., COUNSEL KLDC

HOWARD KOHN, THE CHESAPEAKE GROUP, INC.

SUZANNE CAHILL, CITY PLANNER

GREGG H. SWANZEY , DIRECTOR OF ECONOMIC DEVELOPMENT

DAILY FREEMAN, 79 HURLEY AVENUE, KINGSTON, NY 12401

WKNY, PO BOX 1398, KINGSTON, NY 12402

WWBWZ, WPKF, WRNQ & WRWR-FM, 20 TUCKER DRIVE, POUGHKEEPISE, NY 12601

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

WDST, PO BOX 367, WOODSTOCK, NY 12498

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, December 17, 2015**. 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 **7th day of December 2015** 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

BRADLEY JORDAN, SECRETARY

KLDC

KINGSTON LOCAL DEVELOPMENT CORPORATION

Hon. Shayne R. Gallo, President

Amanda L. Bruck-Little, Executive Director

Brenna L. Robinson, Portfolio Manager

AGENDA

Thursday, December 17, 2015 @ 8:00 a.m.

1. Call to Order
2. Portfolio Review & Updates – Counsel Redder
3. President’s report
4. Recommendation/Vote to begin legal proceedings against the City of Kingston
5. Kingston Business Park - Tenants
6. Approval of Minutes of Previous Meeting from November 19, 2015
7. Adjournment

KLDC

KINGSTON LOCAL DEVELOPMENT CORPORATION

Hon. Shayne R. Gallo, President

Amanda L. Bruck-Little, Executive Director

Brenna Robinson, Portfolio Manager

December 17, 2015

PRESENT:

BOARD MEMBERS – President Gallo, Vice President Dwyer, Treasurer Feeney, Fitzgerald, Potter, Mathews, Turco-Levin, Clement, Teetsel & Taylor

KLDC EXECUTIVE DIRECTOR / KLDC RECORDING SECRETARY - Bruck-Little

KLDC PORTFOLIO MANAGER & COMMUNITY DEVELOPMENT DIRECTOR- Robinson

KLDC COUNSEL – Redder

ABSENT:

BOARD MEMBERS – Secretary Jordan & Berardi

PLANNING- Cahill

ECONOMIC DIRECTOR – Swanzey

COMMON COUNCIL LIASON – Seche

Meeting was called to order by President Gallo at 8:04 a.m.

A motion was made by Mr. Mathews at 8:05 a.m. to enter into Executive Session with Counsel Redder to discuss Portfolio legal issues. Second by Mr. Clement. Motion carried. At 8:40 a.m. a motion was made by Mr. Mathews to exit Executive Session. Second by Ms. Potter. Motion carried.

The Board had discussed a prospect brought before them by Counsel Redder regarding the Seven21 Media loan of requiring them to pay down their principal at the same time they would be paying the principal due in arrears should the Board agree to subordinate for them. Treasurer Feeney made a motion to have Counsel Redder respond to the proposal sent by Mr. Gottlieb on behalf of Seven21 Media notifying them that the KLDC will not subordinate our loan for their new loan with Ulster Savings Bank unless they come current with the approximate thirty thousand dollars (\$30,000.00) principal payments in arrears as well as paying an additional amount to be approved by the Board which will be applied to what will be their current principal balance. The arrears and additional monies are due at or before their closing with Ulster Savings Bank. In addition, since the Ellenbogen's continue to refuse to provide the KLDC with personal collateral and their payment history has been inadequate, the KLDC is not willing to reduce the fixed interest rate from 5.25% to 4.25%. Should the Ellenbogen's decline our counter proposal the Board authorizes Counsel Redder to continue with the Courts and make a Motion for Summary Judgement. Second by Mr. Mathews. Motion carried.

Ms. Potter spoke on behalf of the Finance Committee reiterating what had voted on at the July 9, 2015 Finance Committee meeting and Board meeting held on July 16, 2015 regarding the three loans that were being placed into permanent financing and the determination of the fixed interest rates. Each borrower was fully aware that their loan would at some point be put into permanent financing and they would receive new payment schedules (amortizations). All three had been sent notification along with the appropriate paperwork and asked to sign and return their new Promissory Notes. While we are still working with the Ellenbogens, Clinton and Main has complied and Historic Kingston Marina is giving resistance. Ms. Potter made a motion to authorize the Executive Director to write Mr. Iannucci a response to his email to the Board requesting consideration to revisit the terms of his HUD 108, explaining to him the Board has denied his request with their reasons why. The terms of the original Promissory Note stands, his fixed rate was based on his good payment history and if Mr. Iannucci so desires he can pay his entire loan off now without penalty. Second by Treasurer Feeney. Mr. Clement abstained. Motion carried.

KLDC

KINGSTON LOCAL DEVELOPMENT CORPORATION

Hon. Shayne R. Gallo, President

Amanda L. Bruck-Little, Executive Director

Brenna Robinson, Portfolio Manager

President Gallo told the Board it was his understanding Common Council President James Noble has made it unequivocal that the City will not compensate the KLDC for any expenses incurred whether it be for the Industrial Park, notwithstanding the resolution passed by the KLDC to turn over ownership of the Kingston Business Park Public Road (Corporate Drive) and the resolution passed by the Common Council to accept taking over Corporate Drive nor for the front steps. President Gallo said he had suggested to Council there be installment payments for reimbursement. He explained to the Board that the monies that should be reimbursed for the steps could have been used to pay back on the 108's or used for Economic Development. The President made a recommendation for a resolution and for the Board to go on record to move forward with a suit against the City and not just sit back. Various members discussed how the monies spent for the front steps of City Hall came about for clarification for those who were not Board members at the time. After a lengthy discussion the Board agreed that they were not going to move forward with President Gallo's recommendation to seek reimbursement from the City for the steps. The Board had then discussed the issue of Corporate Drive. The Finance Chair spoke of how the committee had met with Corporation Counsel and the Comptroller more than a year ago and during that meeting had specifically requested the City take over the meters. At that meeting, Corporation Counsel agreed that the wording of the City's resolution read that the City was responsible. However, after more than a year, nothing has been done by the City to make any effort to reimburse for any of the monies that had been spent whether it be brush removal, top coating/sealing the roadway, electricity and pump house repairs. When a tenant in the business park did not pay their taxes, the City came after the KLDC for the money and the KLDC paid all the tenants taxes in full, on demand and yet, when the City owes money they do not feel the need to pay their debt. Per President Gallo, Council Redder would be unable to represent the KLDC in this matter and that they would need to hire additional outside council to move forward with a lawsuit with the City. While President Gallo does not agree with not pursuing reimbursement for the steps, he highly recommends the Board take legal action as the Council and Council President Noble has refused to acknowledge their debt. A motion was made by Treasurer Feeney for the KLDC to take legal action against the City of Kingston to recoup by any means necessary the funds expended in association with Corporate Drive at the Kingston Business Park. Second by Mr. Mathews. Motion carried.

President Gallo spoke about a Fashion Designer who has been in contact with him and would like to move their existing company to the vacant building located at 44 Corporate Drive in the Kingston Business Park. The prospective interested parties want to work with the KLDC and because of their deadlines, desire to be in the park sometime in early January. The Board was given a packet with some information and background information on the designer and her company along with a general business plan. President Gallo told the Board the company would have ten jobs to begin with and grow from there. The current set up of the buildings fits their needs from the manufacturing space on the bottom floor to the office space on the second floor. President Gallo recommended the committees and Board zealously pursue this opportunity for obvious reasons of tenancy, jobs and the expansion for their business. When asked what they're willing to pay, the response was that the potential tenants are aware of the \$5.00 per square foot triple net cost in the listing held by Sperry Van Ness, Deegan-Collins Commercial Associates. The company would like to meet with both the Finance Committee and Disposition of Property Committee as soon as possible. The President was how the company found out about the business park and he believes if the KLDC brings a buyer to the table, there shouldn't be a need for a realtor. It was explained that the listing agent had been hired via contract and it is binding, therefore must be adhered to. However, the KLDC can be the showing agent and Mr. Collins of Sperry Van Ness, Deegan-Collins Commercial Associates could be the listing agent which would split the percentage in half, saving money. President Gallo told the Board that the potential tenants want his administration and this Board to receive credit for business moving into the park and he will be calling the business later in the day and then put something together for a press release stating that the KLDC is working with this company. Without having a meeting with the business, there cannot be a press release. President Gallo requested that each of the committees set up meetings with the business within the next few days, prior to the end of the year so notification can go out to the public by December 31, 2015. Ms. Potter said that any potential tenant

KLDC

KINGSTON LOCAL DEVELOPMENT CORPORATION

Hon. Shayne R. Gallo, President

Amanda L. Bruck-Little, Executive Director

Brenna Robinson, Portfolio Manager

should put their offer in writing and send it to Mr. Collins of Sperry Van Ness, Deegan-Collins Commercial Associates and then proposals will be presented to the Executive Director and committees for discussion prior to being brought before the full Board.

Prior to the close of the Board meeting, Ms. Potter expressed her belief that President Gallo has not been given fair credit for his work as President of the Board and Mayor for the City over the past four years especially with his accomplishments with the Broadway corridor and the finality of steps at the Uptown parking garage. He responded that he was able to make accomplishments through the collaboration of many groups and organizations.

Vice President Dwyer made a motion to accept the minutes from the November 19, 2015 meeting. Second by Ms. Turco-Levin. Motion carried.

At 9:46 a.m. a motion was made by Ms. Turco-Levin to adjourn. Second by Ms. Taylor. Motion carried.

Respectively Submitted,



Amanda L. Bruck-Little
Recording Secretary